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JPRS L/8974

13 March 1980

# Japan Report

(FOUO 7/80)



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POLITICAL AND SOCIOLOGICAL

LDP PRESIDENTIAL HOPEFUL KOHMOTO'S ELECTION STRATEGY REVEALED

Tokyo SHUKAN ASAHI in Japanese 8 Feb 80 pp 16-21

[Article: "Journalist Ikeuchi Fumio Describes Kohmoto's Recruitment of New LDP Members"]

[Text] It was the 17th of January. A telephone call was made from the prime minister's residence to the office of the president of a large cosmetics company in Tokyo's Ginza. The caller was Chief Cabinet Secretary Ito Masayoshi, said to be the closest of those who are close to Prime Minister Ohira. When the president picked up the receiver and asked what was wanted, Ito spoke in an inordinately polite tone: "Actually the prime minister himself was going to make this request, but since he is visiting Australia right now, I will ask in his place. To tell the truth, we would like you to provide 500 LDP members today."

Even for the president, it would be a formidable task to persuade as many as 500 employees of an enterprise with a strongminded labor union to join the party. With this in mind, the president replied, "How would it be if I gave you the membership fees for 500 members--1 million yen?"

Ito came back, "We have money; what we need is names. Could you give us some sort of list of employees?" The president declined, saying that only he and the five directors could give out the names, and the negotiations ended in failure.

220,000 New Party Members in Just 1 Day

That day Ito and other Diet members of the Ohira faction had received a great shock. The representative the faction had sent to the LDP Steering Committee meeting on the evening of the 16th had brought back some unsettling information. This was the interim report of the party organization bureau that "LDP members number 2.7 million as of the 15th and should reach 3 million by the cut-off date on the 20th." The Ohira faction had believed the number would be from 2.2 to 2.3 million at the most, so the 2.7 million figure came as quite a blow. Since the greatest growth was seen in areas like Hyogo and Nagasaki where former Chairman of the Policy Affairs Research Council Kohmoto Toshio has strong ties, the beginning of a major change was evident.

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The next day, the 17th, the final orders went to all Diet members belonging to the Ohira faction. But it was already too late. The deadline for provincial and metropolitan party organizations outside Tokyo was the 16th, and that for the Tokyo party organization was 1700 on the 17th. Therefore Ito and the others exerted their full efforts for the remaining day. Then on the evening of the 17th the metropolitan Tokyo party organization extended the final deadline to 1500 on the 20th, "because there were many who thought the cut-off date was the 20th, the same as for party headquarters." The Fukuda faction suggested that "the Ohira faction found some pretext to force this through in order to pick up more new members." The Ohira faction called that unwarranted libel and said it was the other factions that looked suspicious.

Be that as it may, the party rolls were closed on 20 January. The final number of members was 3,016,703. Since there were about 1.23 million members at the time of the general election the year before last, this means the party had swollen by a factor of 2.3 in just 1 year. There is no member of the Diet who had expected that much growth. If there was one exception, it was Kohmoto Toshio.

Next there is the question of the factional affiliation of these 3 million party members. An exhaustive examination of the names of introducing Diet members as recorded on the party membership applications would yield a classification quite close to the true situation, but at present the factions have not done that. The following breakdown comes from the analysis of Ohira-Tanaka coalition forces, who hold the post of chairman of the national organization committee which was in charge of the recruiting drive, and who were thus in the most favorable position for gathering information.

Ohira-Tanaka coalition: 1,000,000 (Ohira faction, 700,000; Tanaka faction, 200,000; mainstream and centrist factions, 50,000);

Kohmoto: 900,000 to 1,000,000;

Nakasone: 400,000 to 500,000;

Fukuda: 300,000.

Kohmoto himself has made a statement tacitly admitting that he has gathered about a million votes (see the interview at the end of this article), so it is safe to consider the Ohira-Tanaka coalition and the Kohmoto forces as the front runners in the race for supremacy. This is a great change, considering that in the preliminary elections for party president at the end of 1978 Kohmoto drew less than 90,000 votes to Ohira's 550,000, and the fact that there are more than 100 Diet members attached to the Ohira-Tanaka coalition, compared with less than 30 in the Miki faction to which Kohmoto belongs.

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Just what happened in that year? To discover that, a look was taken at Kohmoto's home prefecture, Hyogo. At the time of the 1978 election for party president the prefecture had 34,221 members. Now, a year later, that number has grown by a factor of 8.3 to 285,639. That is the largest in the nation, of course. One can easily imagine the results of a fierce membership drive by the Kohmoto camp. Moreover, producing party members to the extent of nearly three times the number that voted for Kohmoto in the October 1979 general elections (Hyogo fourth district) is no trifling matter.

"I had thought that 120 or 130,000 would be doing well." This is the comment of Secretary General Kajiwara Yoshinori of the LDP's Hyogo prefectural organization. According to the secretary general the number of party membership applications received by 9 January, a day before the deadline there, was only about 60,000 and "there was concern that too much part-time help had been hired to handle the applications."

On the morning of the 10th, however, the party secretariat in front of the Hyogo Prefectural Offices in Kobe became a battleground. A steady stream of cardboard cartons packed with membership applications started to come in from Kohmoto support groups all over the prefecture. In the end there were nearly 50 orange crates full. About 40 housewives from the neighborhood were assembled, but they were completely unable to deal with the applications, which were simply counted, sealed and stored in the third floor conference room. The applications themselves would have been all right--the problem was the membership fees of 2,000 yen per person collected all at once.

Since there were about 220,000 persons on just that day, roughly 440 million yen was turned over. Kajiwara and his staff were so flustered that day that it was after 1700 when they noticed the presence of the cash (with some checks) piled on a desktop. They called a nearby bank, but only the night watchman remained. They pleaded to have the homeward-bound employees called back, and were finally able to make their deposit.

The secrecy of the Kohmoto camp had been so complete that not even the prefectural party organization had been able to grasp the true situation. Secretary Shirai Kiyoshige, who runs the party office in Kohmoto's hometown of Aioi, said, "Even now it is being kept quiet, but until the deadline for applications there were instructions to let the other factions be aware of absolutely nothing, so there was an all-out effort." He admits to the secret strategy described below.

#### Recruiting at the Expense of the General Election

The goal for Aioi, as Kohmoto's hometown, was one third of the electorate. The recruiting effort centered on the Seikokai, the youth section of Kohmoto's support group, and took the form of mobilizing a certain number of people each day from the beginning of 1979. The rolls of the support

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group and the self government associations were used to the fullest. Each day the new membership applications were turned in to the office, where they were recorded and put in the safe. The membership fees were deposited in a local bank each day. These deposits were camouflaged by opening accounts in the names of young employees of the office.

To digress somewhat, the deposits in these employees' accounts ultimately amounted to 27 million yen, and drew 150,000 yen in interest. The ownership of this interest was not, naturally enough, covered in the LDP presidential election rules. Apparently the argument on its use is still continuing within the office: "It should be spent for the party branch convention." "No, it wouldn't seem right to use it on food and drink." "Then how about using it to buy presentation items?"

Anyway, the zeal of the Kohmoto support group for recruiting party members was so great that, "we did nothing but recruit, even at the expense of the general election campaign, so we nearly missed the top spot." (Secretary Shirai)

"It's not unusual for them to agree when you ask them to vote, but when you ask them for money (membership fees), that's another matter. Still, the general election was a chance to expand the party membership. For example, after asking for their vote by telephone, you would sound them out about joining the party. If they sounded like they might, then you'd drop in on them. It wasn't like going to every house." (Shirai)

When asked if the membership fee had really been received from each person, and if the support group hadn't actually put up the money, Shirai promptly denied it: "If that had been the case we could have gotten any number of names with nowhere near the effort."

But however much the Kohmoto support group bustled about, there was a limit to the number of members it could recruit. There was the appeal to "rise above party factions and personal support groups, and make a local man prime minister and party president," but the opposing camps did not agree. Therefore Kohmoto needed a campaign which worked on the people of the prefecture more directly. One who responded to this request was Yoshida Toyonobu, mayor of Himeji. Yoshida, who had been a classmate of Kohmoto in the old Himeji High School, received this request at the beginning of 1978: "I was embarrassed at going into the last election for party president unprepared. This time the Miki faction has promised to do all it can, so I want to do things right. Please help."

Yoshida promptly appealed to the heads of all the cities (4) and towns (21) in the Hyogo fourth district: "Now is the time to rouse ourselves and make the title 'Prime Minister Kohmoto' a reality. Let us concentrate the enthusiasm and action of the 570,000 voters of Nishi Hanshu." It is said that none of the leaders voiced an objection. Thus the inaugural convention of the 'association to make Kohmoto prime minister and party president'

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met in Himeji on 12 May. Yoshida himself was appointed chairman, and the 25 municipal leaders in the fourth district were named directors. This included even mayors who were full-fledged members of the Socialist Party. Representative Toida Saburo (Tanaka faction; lost in last general election), who had battled with Kohmoto in that electoral district, attended and made a stimulating greeting.

New Ozeki Masuiyama Joins the Party for Kohmoto

Yoshida tried to expand the society to the entire prefecture, and in July a 'Council to make Kohmoto prime minister and party president' was formed with Kobe Mayor Miyazaki Tatsuo (another classmate of Kohmoto at Himeji High School) as chairman. The mayors of all cities and towns in Hyogo Prefecture participated in this council. At the same time the 'Kohmoto Toshio Hyogo support group' was formed from 130 groups of various types in the prefecture.

Thus the party membership drive began with the municipal mayors in the lead. Yoshida speaks in these abstract terms: "As in my case, we were called on through personal ties; the idea is to make a local man prime minister, so we all feel good about it." According to experts in Himeji affairs, however, it was not all that easy: "The mayors made full use of grass-roots organizations like self-government groups, fire brigades and women's associations. Some of the mayors were so enthusiastic that they took large numbers of applications and sought members even at meetings of old people's clubs. There must have been a quota for every city, town and village."

Self-government organizations apparently played a considerable role, and it is said that these groups distributed membership applications along with publicity materials. At the regular convention of the Hyogo federation of self-government associations held in August 1979, one mayor made an emergency motion to "devote our full energy to making Kohmoto prime minister," and this was approved unanimously.

There are those who consider the local leaders' calls for new party memberships an open impropriety. One of these is Toita, who lost out in the last general election. He spoke as though still resentful of his loss: "Designated businesses were assigned 100 or 200 apiece, and made to provide lists of names and money. That wasn't too hard for the businessmen, so they did it. Some were recruited through the self-government associations, but the money was put up for more than half of these. I couldn't win because that faction had them joining free."

Such complaints were not heard, however, before Kohmoto succeeded in recruiting this miraculously large number of party members. Kohmoto's supporters are divided, even now, on whether he is about to be able to form a government: "This year is one shot at victory; he can't be looking ahead to next time. To start with, what we did this time won't work again

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and again." (president of a Himeji chain company) "When he does something, he sticks with it. Ohira was a fool not to see Kohmoto's brains and persistence." (president of a Himeji shipping company)

People from Hyogo who had gone to other prefectures also participated in the battle to recruit party members. For example the former Masuiyama, master of the Mihogaseki sumo stable, was from Himeji, and his wrestlers from Kitanomi on down all joined the party as a group. In regard to the nationwide spread of the movement, however, what stands out is the activity of Kohmoto's alma mater, Nihon University.

Making Kohmoto prime minister as a 'Memorial' for Nihon University

The Nihon University forces got started earlier than the hometown forces. It began when Kohmoto accepted the chairmanship for support of the 90th anniversary of the founding of the university, which was planned for October 1979. The idea of 'finding a way to support Kohmoto, who finished in last place last time,' was put forward at the national alumni convention on 3 February 1979, and such talk quickly began to be firmed up. The Omon Association's Kohmoto Toshio support group was started in May, and appeals began to be made to the association's 500,000 members across the country. During the summer convention season in each of the prefectural branches, Kohmoto himself walked around carefully greeting the members. An office was set up near the Tokyo-Surugadai headquarters of Nihon University. This was an all-out effort, with 18 workers permanently assigned there. Nihon University trustee Sato Shigesaburo, secretary general of the support group, speaks of it proudly: "The goal was set at 300,000 and somehow we were able to reach it. The 90th anniversary celebration was cancelled because of a scandal at the school, so we wanted to make Kohmoto prime minister as a 90th anniversary activity."

It was a different type of election, but there is a precedent for a school gathering votes: Tokai University at the time of the 1977 House of Councilors election in the national constituency. University President Matsumae Shigeyoshi's son, Professor Matsumae Tatsuo (Japan Socialist Party) was elected with the help of the school, and the Kohmoto camp gave thorough study to Matsumae's campaign. The techniques of that campaign were all taken over, from the building of a campaign organization to the instructions given to the commercial district in the neighborhood of the school.

"It was a refined strategy the men of Nagatacho would not have thought up. There must have been a terrific brain behind it. This was a complete tactical victory for Kohmoto." This is the view of political commentator Iijima Kiyoshi. According to Iijima, Kohmoto's strategy bore a close resemblance to that of the 'star' candidates of the national constituency. The method is to create and make use of a new class of supporters without disturbing established sets of voters. But there is also the inference that, "these people are unfortunately quite fickle, so Kohmoto has come to the contest knowing his first chance will be his last."

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The Ohira-Tanaka coalition seems determined to meet the increasingly evident Kohmoto 'threat' with force: "Clamping down on the construction industry will overturn the support for Kohmoto." (a Tanaka faction leader) Nakasone's strategy is to appeal against the financial influence of the Kohmoto and Ohira-Tanaka camps by checking the qualifications of new party members and requesting implementation of direct balloting. Former Prime Minister Fukuda is beginning to speak out again for his pet idea, a freeze on the preliminary elections.

In the midst of this is former Prime Minister Miki in a delicate position. Miki has become synonymous with criticism of financial influence, but now Miki faction member Kohmoto is being exposed to criticism of financial influence. Miki does not like to talk about the party presidential election now, and is said to have told his intimates, "there isn't much to choose among them," as though excusing or accusing himself.

Interview with Kohmoto: "Unexpected or Planned, We Did a Good Job"

Q: The number of 'Kohmoto party members' has been estimated at more than a million, or at 600,000 at the most. How many party members did you actually recruit? I've heard that the Kohmoto campaign goal was 1 million.

A: The exact number is being calculated now, but there are quite a few names, so it will take several more days. But I have the feeling that, whether it was unexpected or just as planned, we did a good job.

Q: In terms of accepted perceptions, for you as a member of the Miki faction, the smallest of the five big factions, to recruit a million would be amazing, or impossible. Even with some special strategy.

A: I've devoted my full energy to this for a year. I was going around the countryside on more than half of the 365 days last year. Each time I met several hundred people and asked for their support. Besides that, there must be 100,000 people from industry, my school and my home who say, "let's make Kohmoto prime minister and party president." It was not all that difficult (to recruit a million party members).

Q: There has been criticism from other factions that businesses and Nihon University just provided lists of names, and you put up the membership fees.

A: I've heard that a number of times, but since the day I lost the party presidential election the year before last I have trudged all over the country recruiting party members. Isn't it rather strange logic to say that we have gotten more party members than we expected ourselves, and therefore we must be relying on financial influence? To start with, the party membership rolls should have been closed on 20 December of last year--who is it that forced an extension to 20 January, then scurried around recruiting members? I firmly opposed it, but they pushed it through.

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Q: In other words, you're saying that for the last year the people of the other factions made no preparations to speak of, so the difference is natural?

A: That's right. I built a nucleus for organization in Tokyo and worked in a quiet but orderly way. I may be the only one who did that.

Q: The Kohmoto party membership applications were submitted to the prefectural and metropolitan LDP organizations just before the deadline. Was that a part of the strategy?

A: Since we would not have won if the other factions had been aware, we gave instructions that there should be no word of the party members that had been recruited over the year until the cut-off date. This was carried out almost exactly as planned.

Q: Who planned these tactics?

A: I didn't want to stand in the 1978 election, but Mr Miki (Takeo) pushed me into it. I declined, but directly and indirectly, he worked to persuade me a dozen times or more. At that time Mr Miki told me, "Kohmoto, if you want to win next time (the 1980 party presidential election), you'll have to start now or you'll be too late." Thanks to that, I had plenty of time to think things out before acting. That was it.

Q: That was former Prime Minister Miki, and I have heard he is upset that even though he has bitterly criticized the financial influence set-up of the Ohira-Tanaka coalition, this time you, a leader of the Miki faction, are said to have used financial influence for recruiting.

A: I haven't heard anything like that. As I just said, it was Mr Miki who told me to strike quickly, and he has never told me to stop.

"I Sought Supporters Directly Throughout the Country"

Q: Hasn't it been said that you gave money to Diet members of the Miki faction and had them recruit party members?

A: I won't go over this in detail, but there were gifts (for Bon, New Year's etc) to a few close associates. These were in the normal range, though. As you know, there are too few Diet members in the Miki faction to recruit party members by themselves. Therefore I sought supporters directly throughout the country.

Q: I suppose Prime Minister Ohira will be the immediate rival in next fall's party presidential election. Haven't you been criticizing his policies a lot in your speeches?

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A: No, that's something the press has written on the basis of its preconceptions. We are both in the LDP, so basically my policies are no different (from the prime minister's). I have my own ideas, though, on where the emphasis should be and what the timing should be within the general policy lines. I wonder about putting these ideas before the people. So I intend to think this out thoroughly all through February, then bring out the policies I decide on in mid-March.

Q: What will be your strategy from then till the preliminary election begins?

A: I haven't held any posts for 6 years now, and that's been more than enough time. I can think out policy and I can talk directly with the people. Once the budget passes the House of Representatives and has the support of the House of Councilors, I plan to make a speech somewhere in the country every day. I think I have the advantage over Ohira on that point.

Q: This may be a little premature, but if you come in first in the preliminary election, will you ask Prime Minister Ohira to pull out? And then will you be able to immediately firm up your post-Ohira footing?

A: I can't say anything while I'm still at the stage of counting my party members. If it appears that I can win after the count is made, I will confer with my associates and decide what attitude to adopt for the future.

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POSSIBLE 'FINLANDIZATION' OF JAPAN BY THE SOVIETS ANALYZED

Tokyo BUNGEI SHUNJU in Japanese Feb 80 pp 108-115

[Article by Takio Yamasaki, an International Affairs Specialist]

[Text] The Soviet Union has been proceeding with a build-up of its bases in the Northern Territories ever since the conclusion of the Sino-Japanese Peace Treaty.

It has become known that in addition to their military build-up on Kunashiri and Etorofu, the Soviets have built a base and stationed troops on Shikotan Island.

On 2 October, then Director of the Defense Agency Yamashita presented the Cabinet with a report on this situation under the title "Recent Soviet Military Moves in the Northern Territories." According to this report, the strength of Soviet forces in those territories has reached division scale and the Soviet forces there are equipped with assault helicopters and so forth. According to the report, this force is, therefore, not the force intended simply for "island defense" which it was up to this time.

On the same day, the government demanded withdrawal of the Soviet forces and bases by making a strong protest to Soviet Ambassador to Tokyo Polyanski, but, just as in February of this year, the Soviet ambassador called this "interference in internal political affairs" and refused even to accept the protest.

Furthermore, on 16 October the Soviet ambassador made a verbal declaration on instruction from the Government of the Soviet Union in which he demanded appropriate action from the Government of Japan on the grounds that since no territorial problems exist between Japan and the Soviet Union, the Government of Japan is engaging in unfriendly propaganda.

It goes without saying that reversion of the Northern Territories is the fervent wish of the people of Japan. If the Soviet Union runs roughshod over the feelings of the Japanese people to build military bases in the Northern Territories and increase the number of troops stationed there, what are the Soviet Union's intentions?

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Military Bases Have Been Built Even on Shikotan

Since last year the Soviet Union has evoked a strong reaction by strengthening the military installations on the islands of Kunashiri and Etorofu which are next to Hokkaido and, now, the Japanese people have been greatly shocked to learn that the Soviet Union has also built military facilities on Shikotan.

It goes without saying that Shikotan Island, along with the Habomai Islands, was once part of Hokkaido and that these are the islands mentioned in Paragraph 9 of the Japanese-Soviet Joint Declaration of October 1956 in which the Soviet Union promised that it "would agree to return Habomai and Shikotan to Japan after the conclusion of a Japanese-Soviet peace treaty."

Later, when the new Japanese-U.S. Security Treaty was concluded in 1960, the Soviet Union took the position that it would be impossible to carry out the promise to return Habomai and Shikotan because the Security Treaty was aimed at the Soviet Union and the PRC.

However, the "international promise" is something which cannot be changed unilaterally without even waiting for a rejoinder from the Japanese Government at the time. The subsequent international situation has changed greatly from the grim "cold war" with the United States which was going on at the time to detente between the Soviet Union and the United States and confrontation between the PRC and the Soviet Union.

According to newspaper reports, Foreign Ministry sources, on 26 September, made known a "basic view" based on the new situation. This "basic view" was essentially as follows.

First, after ascertaining the facts about the stationing of Soviet forces on Shikotan and other inherently Japanese Northern Territories, Japan will protest and demand rectification, but the Foreign Ministry does not feel that there is intended "aggression against Japan" in the disposition of these forces and in taking these actions is not adopting a "Soviet threat theory."

Secondly, it is felt that as far as motivation for stationing the Soviet troops is concerned, the Soviet Union has developed, on the basis of an extreme "state of siege mentality," a counter policy of always pushing its strategic bases forward as a line of defense because the Soviet Union is surrounded by such countries as the United States, the PRC, and NATO (North Atlantic Treaty Organization). The visible build-up of the Soviet Naval strength has become a symbol of this policy.

Thirdly, it is presumed that the Soviet aim is to make Japan give up on return of the four northern islands by a series of faits-accomplis, but Japan's territorial demands have been consistent and this thinking is meaningless.

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Fourthly, as in the past, Japan will try to improve relations in the areas of politics, economics and culture; even if Soviet Premier Gromyko's visit to Japan in the spring is not realized because of the Shikotan incident and so forth, the responsibility will belong to the Soviet Union.

However, the Soviet news media reacted quickly. On 27 September the Soviet news agency TASS commented for the first time on United States coverage concerning Shikotan Island and insisted that the uproar was brought about through a provocative scheme by United States and Japanese authorities. TASS said that there were three aims to this scheme.

First, to justify building up Japanese military power, building up Japanese and United States military strength and bolstering the Japanese-American military alliance and also to justify the formation of the "Sino-Japanese-American tripartite alliance."

Second, to justify the United States military presence in the Japanese archipelago and in Asia.

Third, to prevent development of Japanese-Soviet economic relations.

On the same day, a Moscow broadcast directed at Japan made a strong rebuttal in the same vein as that used when the construction of the bases in the Northern Territories first became an issue this year. The broadcast was called an editorial by foreign correspondent (Tsubetofu) in Tokyo and said, "If the Soviet Union wants to carry on either civilian or military construction within its own territory, it is free to do so." Furthermore, on 28 September, IZVESTIA pointed out that a new outbreak of "anti-Soviet fever" was being built up in Japan over the Shikotan issue and charged, "The new fit of anti-Soviet hysteria in Japan is a clear manifestation of the efforts on a world-wide scale which the reactionary forces are mounting to break down international detente. Hysteria over the "Soviet threat" is being used as a fuse."

On 28 September, PRAVDA carried an editorial by the TASS news agency about the question of bases on Shikotan Island under the title "Provocative Uproar." According to this editorial, the Japanese media were playing up the strengthening of military facilities on Soviet territory on Shikotan and were speaking just as though there were "a serious threat" for Japan. The report said that this had been "instigated" by the United States Government and Japanese authorities were using it to make statements which were unfriendly to the Soviet Union.

The report in PRAVDA said, first, that there had also been a move of this kind by Washington in January and at that time, too, an uproar had been made over "expansion of Soviet military installations" and that this was necessary for the Japanese ruling classes to justify increasing Japanese military strength and the move toward an alliance of Japan, the United States, and the PRC.

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Secondly, the article said that this anti-Soviet campaign which had been provoked by Washington was intended to block the development of Japanese-Soviet economic relations. The article pointed out that it was not coincidental that this had been timed to coincide with the joint conference of Japanese and Soviet economic committees which discuss economic cooperation. The article warned that this provocative campaign would damage neighborly relations between Japan and the Soviet Union and would lead to loss of the efforts to build detente.

These assertions by the Soviet news media are exactly the same as assertions made by Ambassador Polyanski on 5 February this year when he received the Japanese Government's protest regarding the military build-up on Kunashiri and Etorofu. At that time the ambassador refused even to accept the Japanese Government's protest. He said, "There is no unresolved territorial issue between Japan and the Soviet Union. Kunashiri and Etorofu are Soviet territory and construction of bases there is an internal Soviet political matter. Therefore, it is interference in internal affairs for Japan to protest this or to mount an unfriendly campaign. Such Japanese action is, rather, a matter which the Soviet side wished to protest."

With regard to the recent problem with Shikotan, the Japanese Government, on 2 October, pointed out to the ambassador the military build-up in the Northern Territories and protested against it. The Japanese Government demanded the immediate withdrawal of these measures. However, the Soviet ambassador firmly stated, "The Soviet Union has by now indicated its views on the unfounded Japanese territorial claims and will not repeat those views." He did not back down from the position that no territorial question exists. Instead, he protested against the unjustified campaign by the Japanese Government by saying, "The Japanese protest is unacceptable. This is wanton interference in internal affairs."

In short, the heart of the matter is the "territorial question." The Soviet Union insists that the four northern islands are Soviet territory, while Japan insists that these islands are its "inherent territory." Japan insists that the Northern Territories are still being occupied by Soviet "force" and, moreover, the Soviet Union has violated international law by incorporating the occupied territory into a Soviet administrative region without waiting to conclude a peace treaty. How this problem arose does not need to be told. It came about only because the Soviet Union joined in the hostilities at the end of the war and unilaterally abrogated the "Japanese-Soviet Neutrality Pact." The problem arose because the Soviet Union then occupied the four northern islands and has continued to occupy them up to this time. Why is the Soviet Union strengthening its bases in the Northern Territories?

In a recent press conference, Director Yamashita of the Defense Agency formally made an announcement about Soviet forces having been stationed on Shikotan in addition to Kunashiri and Etorofu Islands.

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According to this announcement, construction of the bases on Kunashiri and Etorofu had continued since January even during the winter season; after the thaw Soviet troops and equipment on both islands were strengthened considerably by transporting materiel by ship; and, tens of MI 24 "Hind" assault helicopters had been stationed at the bases.

The Hind is used both for assault and transport. It is used against tanks by equipping it with anti-tank missiles and rockets. In addition, it can also be used in landing operations by carrying 8 to 10 armed soldiers. It was also announced that SAM (anti-aircraft missiles) have recently been placed on both islands.

Moreover, for the first time it was officially confirmed that Soviet troops were stationed on Shikotan. The announcement said, "Recently, tents capable of receiving nearly 2,000 persons have been erected at Amana Bay. Guns, anti-aircraft weapons and armored personnel carriers have been placed there and it can be concluded that a Soviet Ground Forces unit has been stationed there."

Furthermore, the view on the size of the Soviet force in the entire Northern Territories was revised. Although the announcement said, "We cannot judge exactly," it was presumed that the Soviet force in the territories is approaching division size (ordinarily 10,000 to 12,000 troops).

Furthermore, the announcement said that because of this build-up the concept that the Soviet forces are for "island defense" which had been held up to now must be revised. It said that in the future policy will be to take the more cautious view that "an unqualified judgment on whether the forces are offensive or defensive cannot be made."

In the official Defense Agency view given on 2 February 1979, the Agency said that the Soviet Union's aim in strengthening its bases in the Northern Territories was "island defense." However, the Agency says it "cannot determine" the intent of positioning assault helicopters and also stationing Soviet troops on Shikotan which is apparent in the recent situation. What then is the Soviet intent in continuing to build up their bases in the Northern Territories in this way? In order to see the intent, it is probably necessary to look into what role the northern bases will play in political strategy regarding Japan, strategy toward the United States and strategy toward the PRC.

First, in political strategy toward Japan, increasing "effective control" over the Northern Territories can exert heavy psychological pressure on the people of Japan.

The Soviet Union began to build up its bases in the Northern Territories in the summer of last year. This coincides with the conclusion of the "Sino-Japanese Peace Treaty." Immediately after the conclusion of the "Sino-Japanese Peace Treaty" the Soviet Union made known its attitude that

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"review of treaties with friendly countries and other measures in defense would be necessary" and beginning around that time began conducting exercises and transporting troops and materiel in the waters near the Northern Territories.

Judging from this, their intention seems to be to crush the Japanese people's deep-rooted "demand for reversion" and to make the Japanese give up on reversion by strengthening "effective control" over the Northern Territories.

It is also possible to see this as a sort of warning for Japan's having moved closer to the PRC. In short, the view can be taken that the Soviet "intent" is to prevent Japanese rapprochement with the PRC by increasing the threat from the north.

In other words, this is "intimidation diplomacy" backed by military strength. As is well known, the Soviet Union believes in power. Consequently, Soviet diplomacy is advanced by backing it up with power. In particular, the Soviet Union seems to think that this kind of intimidation diplomacy will be effective against a helpless Japan which has no power.

Secondly, in strategy against the United States, the bases in the Northern Territories probably play an extremely important role in ensuring "strategic attack waters."

Currently the main strength of the Soviet Union's SSBN (nuclear submarines carrying ballistic missiles) is centered in the D (Delta) Group which has nine D III class vessels armed with SSN18's having a range of over 7,800 nautical miles, five D II class vessels armed with 16 SSN 8's having a range of over 4,800 nautical miles and several D I class vessels armed with 12 SSN 8's.

It is said that if the SSN 8 is fired in the waters off Kamachotka it can cover within its range targets in a fan shaped area from Chicago to San Diego, and if the SSN 18 is fired in the Sea of Okhotsk it can cover within its range nearly all of the United States mainland. In short, the D class vessels do not have to advance to firing points in the Pacific as had been the case up to now.

Consequently, in the future the Sea of Okhotsk and the waters around the Kurile Islands will be the "strategic attack zones" in which these D class nuclear submarines will operate and it is necessary to position warships, aircraft and other troop strength to guarantee the security of this area of the sea. At the same time, it will be necessary to have an "ice free naval base" which can be used even during the winter when there is ice.

In general, this has been called "making an inland sea of the Sea of Okhotsk," but, in fact, the Sea of Okhotsk alone is not enough. This is because the Sea of Okhotsk freezes during the winter and during that time

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the D class nuclear submarines must use the warm area of the sea on the eastern side of the Kuriles, which does not freeze.

However, D class nuclear submarines which enter the area east of the Kurile chain could be attacked by United States Navy nuclear attack submarines. Therefore, in this case, too, it is necessary to position a considerable number of warships and aircraft in the area on the eastern side of the Kurile archipelago in order to guarantee the security of that area of the sea. At the same time, bases which do not freeze are needed to do this.

Therefore, what is probably regarded as most important about the four northern islands is Hitokappu Bay on Etofofu Island which could be a non-freezing naval base. If one recalls that the Japanese naval task force assembled at Hitokappu Bay for the attack on Hawaii at the beginning of the war in the Pacific, one can probably easily assume that this bay will become an ice free naval base capable of receiving large warships. What then about the security of the bases themselves? According to the American magazine NAVY INTERNATIONAL, the United States Navy had established plans for taking back the four northern islands by an amphibious operation of the Seventh Fleet. Therefore, the Soviet Union probably intended to build a group of bases, including the bases on Shikotan, and positioned the assault helicopters there to respond to such an attack.

Thirdly, in the strategy against the PRC, the bases in the Northern Territories make it possible to mobilize an "intervention force" at any time, even in winter.

In the Sino-Vietnamese War of February 1979, the Soviet Union put pressure on the PRC in the air and on the sea when, on the basis of the Vietnamese-Soviet Treaty they moved a flotilla led by improved Sperry class missile cruisers to the East and South China seas and several times sent TU95D long-range reconnaissance planes as far south as the area of Hainan Island. The memories of this are still fresh.

As is commonly known, the aircraft carrier Minsk and the amphibious assault vessel Ivan Rogov were diverted to the Far East and the Soviet Far Eastern Navy has been provided with a powerful "intervention force." It has become possible for the Soviet Union to intervene at any time in disputes in Indochina, the Paracels, the Spratleys and elsewhere by using the ice free base at Hitokappu.

Fourthly, in strategy against Japan, these bases in the Northern Territories make it possible to "blockade" Japan.

The Soviet Union is using Danang in Vietnam as a permanent base for TU 95D (Bear) aircraft and Cam Rang, submarines. Thus, by using the bases in Vietnam and the bases in the Northern Territories together, it would be possible for the Soviet Union to "blockade" Japan by sea and air.

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On 16 October Soviet Ambassador to Japan Polyanski called on the Japanese Foreign Ministry and, in a verbal statement based on instructions from the Soviet Government, informed the Foreign Ministry of three points.

First, there are no territorial questions between the Soviet Union and Japan and it is outrageous interference in internal affairs to place conditions on Soviet actions within Soviet territory;

Second, for the Japanese Government to wage an unfriendly campaign will not serve to promote friendly Japanese-Soviet relations.

Third, the Soviet Union hopes that the Japanese side will take appropriate measures and will not create obstacles in Japanese-Soviet relations.

This is the formal rejoinder to the Japanese Government's protest on 2 October. This rebuttal, however, is clearly improper both in point of the facts in the territorial question and in perception of public opinion in Japan.

However, what could be a problem is that the Soviet Union had made the assessment that Japan will back down because of this kind of high pressure statement. In other words, the Soviet Union has decided that Japan can be "Finlandized."

In December 1912, Finland became independent from what was then Imperial Russia. Three times since then Finland has been at war with the Soviet Union and has several times been in danger of losing its independence.

Not only did Finland, which was defeated in World War II cede 20 percent of its land to the Soviet Union, its military preparedness was restricted by the Paris Peace Treaty of 1947 and it was made to pay 800 million dollars in reparations to the Soviet Union in the ensuing 8 years.

Furthermore, in 1948, a "Treaty of Friendship, Cooperation and Mutual Assistance" was concluded. By this treaty Finland was made to undertake the obligation by treaty to request Soviet aid in resisting attacks against Finland itself or against the Soviet Union by way of Finland. Incidentally, this treaty was further extended for 20 years in 1970.

At the time of the Japanese-Soviet fishing negotiations several years ago a Soviet leader told the then Chief Cabinet Secretary Sonoda that "the Soviet Union and Finland have maintained friendly relations" This was an implicit way of saying that it might be a good idea for Japan, too, to promote friendly relations in the same way as Finland. The friendly relations which Finland maintains can by no means be called equal friendly relations. Soviet "interference" in Finland is so heavy handed that it raises doubts that Finland is an independent nation.

Basically, Soviet strategy in external affairs can be divided into three types of strategy. The first is to make "satellites" of neighboring countries, as in Eastern Europe. The second is to expand the "Soviet Bloc"

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into the Third World. Cases like the Indochina Federation, Ethiopia and Angola fall in this category. The third approach is Finlandization in which the country in question is, in form, independent but its domestic and foreign policy are based entirely on accommodation to the Soviet Union.

The Soviet Union is now building up sea and air forces in the Far East to an unusual extent. Fifteen of the new, supersonic Backfire bombers have been deployed for combat to bases in Mongolia. The aircraft carrier Minsk and the amphibious assault ship Ivan Rogov and other fresh vessels have been deployed to the Soviet Far Eastern navy. At least 30 SS 20 movable, intermediate-range ballistic missiles (IRBM) equipped with MIRV's having three warheads and having a range of 4,800 to 6,400 kilometers have been deployed in the Maritime Province. All of Japan's territory is covered within their range.

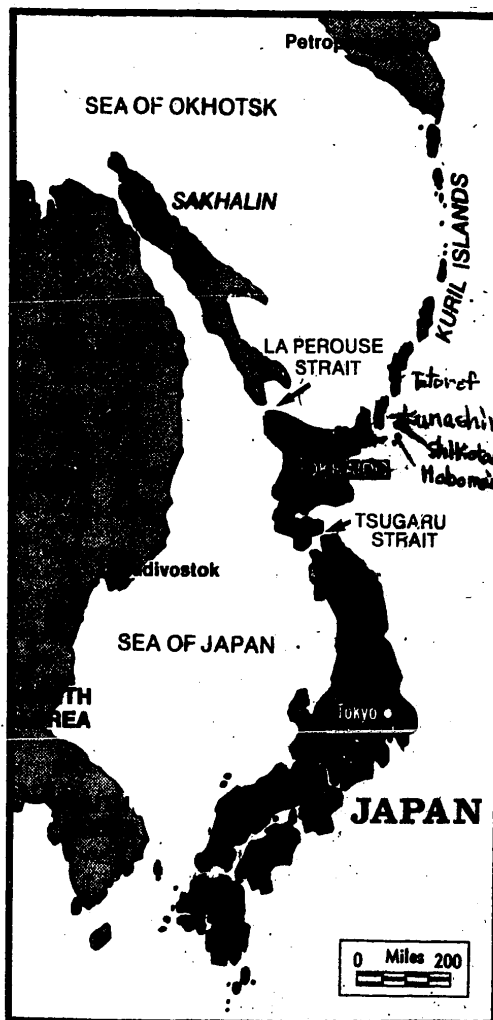
With the backing of this kind of military pressure, the strategy of "blockading" Japan which was mentioned above is becoming a possibility. As has been demonstrated in the Mediterranean and in the Indian Ocean, the Soviet Union excels in using naval power in political ways. To blockade Japan with naval power is the most effective policy for "Finlandizing" Japan. This is because it would be a means of "intimidation" which would make Japan change its intentions at a stage before invasion or war.

Unless Japan today has penetrating insight into the Soviet Union's strategy and has an effective defense against the Soviet military threat, Japan, too, could ultimately be "Finlandized." If Japan does not recognize the significance of the build-up of the bases in the Northern Territories and uselessly repeats the empty debate over the "threat theory" this will certainly amount to rushing down the road toward "Finlandization."

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## POLITICAL AND SOCIOLOGICAL

## JAPANESE HOME MINISTRY SURVEY OF AUTONOMOUS BODY OFFICIALS

OW011154 Tokyo ASAHI SHIMBUN in Japanese 26 Feb 80 Morning Edition p 2 OW

[Excerpts] The Ministry of Home Affairs on 25 February published a survey showing how many elections were held in 1979 to choose chiefs and assemblymen of 3,325 autonomous bodies nationwide, their political affiliations and other data.

The following is a breakdown of the numbers of prefectural governors [Metropolitan, Hokkaido, and prefectural governors] and prefectural assemblymen [Metropolitan, Hokkaido, and prefectural assemblymen] elected in 1978 and 1979 and their political affiliations, tabulated by the Ministry of Home Affairs as of 31 December each year:

	Governors		Assemblymen	
	1978	1979	1978	1979
Liberal Democratic Party	13	13	1,656	1,697
Japan Socialist Party			431	415
Komeito			194	195
Japan Communist Party			110	136
Democratic Socialist Party			103	115
New Liberal Club			39	36
Social Democratic Federation			6	6
Other parties			69	53
Independent	34	34	153	206
TOTAL	47	47	2,761	2,859
Vacancy			85	23
Full seat number	47	47	2,846	2,882

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The following is a breakdown of the numbers of mayors [city, town, and village chiefs] and mayoral assemblymen [city, town, and village assemblymen] elected in 1978 and 1979 and their political affiliations, tabulated by the Ministry of Home Affairs as of 31 December each year:

	Mayors		Assemblymen	
	1978	1979	1978	1979
Liberal Democratic Party	122	108	4,107	3,797
Japan Socialist Party	14	8	3,333	3,267
Komeito			3,171	3,134
Japan Communist Party			3,150	3,414
Democratic Socialist Party			773	842
New Liberal Club			75	93
Social Democratic Federation			43	36
Other parties	9	10	141	95
Independent	3,127	3,146	53,515	54,102
TOTAL	3,272	3,272	68,308	68,780
Vacancy	6	6	1,485	529
Full seat number	3,278	3,278	69,793	69,309

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'YOMIURI' VIEWS GOVERNMENT'S INTERNATIONAL ROLE

OW201132 Tokyo THE DAILY YOMIURI in English 17 Feb 80 p 3 OW

[Article by Minoru Hirano: "Japan's International Role"]

[Text] When it was reported that a planned seven-nation foreign ministerial conference changed to a five-nation conference by excluding Japan and Canada, Chief Cabinet Secretary Masayoshi Ito said at a press conference, with a tone of displeasure, that it was disagreeable. Ito's blunt words reflected the anger of the Japanese Government at being excluded from the community of Western nations.

Japan always has a strong sense of alienation toward Western countries. Former Prime Minister Takeo Miki, after returning from the first six-nation summit held in Rambouillet, France, in November 1975, told reporters that he envied to see the leaders of Western countries address each other on first-name basis.

After the six nations held summits four times after that, four Western countries (the U.S., Britain, France and West Germany) held a summit in Guadeloupe in January 1979. Japan was not invited.

During the Tokyo summit in June of the same year, the leaders of these four countries held a breakfast meeting excluding Japan.

Japanese Government leaders still remember these things with bitterness.

But Japan should discard such a complex toward Western countries. Diplomacy should be conducted by cool calculations, not by emotion. Even if the five Western countries hold a foreign ministerial conference without Japanese participation and study actions to be taken against the Soviet Union, there is nothing Japan should be unhappy about. Japan, an outsider, will not be bound by any decision taken at that meeting.

It is understood that Japan's policy in regard to economic sanctions taken against Iran and actions to be taken against Moscow is to watch

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and then act without going either ahead or staying far behind. It is better for Japan's national interest to avoid commitment but learn from the decisions to be reached at the planned foreign ministerial conference.

When we examine the circumstances leading to the foreign ministerial conference, we can well understand that complicated calculations by the U.S., France and West Germany were at work. Japan had better stay away from such a dangerous psychological game. Japan would have no role to perform even if she was invited to the conference.

After it was reported that the plan to hold a five-nation foreign ministerial conference died stillborn, Foreign Minister Okita met the ambassadors of African states in Tokyo. On that occasion, one ambassador by weapons was a true peace-oriented diplomacy and that he heartily supported Japan's way of conducting its foreign affairs. [sentence as published]

When Okita heard this, he was convinced that it had been good for Japan not to be invited to the five-nation foreign ministerial conference. Why?

After the seizure of the U.S. Embassy in Tehran and the Soviet invasion of Afghanistan, Okita concluded that smaller countries no longer tolerate the actions of the two superpowers (the U.S. and the Soviet Union). He believes that this attitude of smaller countries will become stronger during the 1980s. Then, Japan had better delete the impression that this country is serving as a vanguard for the U.S. together with European countries for Washington's global politics.

Needless to say, Japan is a member of the Western camp in every respect-- political, economic and social. But, as Foreign Vice-Minister Masuo Takashima put it, Japan has no such ideology as do West European countries. Because Japan is ideologically colorless, this nation can serve as a bridge between the West and the Third World.

In a lecture to the Foreign Correspondents Club in Tokyo in January, Okita said that Japan would perform a more assertive political role in the world hereafter.

What is Japan's political role in the world? Japan has many things to perform, such as the realization of Prime Minister Ohira's Pacific basin concept and promotion of mutual understanding between Japan and the Third World for the interest of the Western world as well through former Foreign Minister Sunao Sonoda's tour of the Middle East as Ohira's special envoy, etc. Japan's nonparticipation in the five-nation foreign ministerial conference does not mean that Japan cannot perform such roles.

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POLITICAL AND SOCIOLOGICAL

'JAPAN TIMES' COMMENTS ON JCP CONGRESS

OWO21405 Tokyo THE JAPAN TIMES in English 1 Mar 80 p 14 OW

[Editorial: "The Communist Party Congress"]

[Text] The 15th Congress of the Japan Communist Party (JCP) closes today its five-day session held at the party's own study hall in the hills of Izu Shizuoka Prefecture.

As observers had expected, one of the principal themes of congress debate concerned the recently enunciated position of the Japan Socialist Party (JSP) vis-a-vis the JCP. When the JSP concluded an agreement with Komeito on January 10 concerning the formation during the first half of the 1980's of a "reformist coalition government," it clearly dissociated itself from the communists, its erstwhile comrades.

And at the opening session of the congress, JCP Chairman Kenji Miyamoto gave the JSP tit for tat. He remarked: "To place proper expectation in the Japan Socialist Party means inviting unproductive confusion to the progress of the progressive forces."

The theme was followed up by Mr Tetsuzo Fuwa, chief of the secretariat, who spared no rhetoric in further attacking the socialists. "The JSP began following the road to reinforcing the line of the Liberal-Democratic Party," he said. He also described the JSP as "having completely turned its back on the reformist unified front."

What seems to have happened is that while the JSP disowned the JCP as its possible partner, the latter denounced the JSP as unworthy of being one.

Between the two, the JCP appears to be the more militant in its defiance of its former ally because the JSP, while barring the JCP from the possible "reformist coalition government," left room open for "joint struggle" with the communists at the grass-roots level. This "redeeming feature" of the socialist position toward the JCP, however, was rejected by Mr Ruwa as "an obvious prevarication." Thus, the JCP's counterattack against the JSP may be said to leave no room for reconciliation.

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What made the JCP take that hard-line position? An obvious answer is the forthcoming House of Councillors election, at which the JCP now seems to plan to identify itself as the only truly "reformist" political party. With this epithet, the JCP presumably hopes to marshall all leftist support, including even that for the socialists. This the JCP will do by branding the JSP as a "right-leaning" party--the most opprobrious label for a "reformist" party.

Such a bullish strategy may be endorsed by the recent rise in the strength of the JCP. The party revealed on Tuesday that its membership had reached a record 440,000 and the circulation of its organ, AKAHATA, likewise registered 3.5 million.

The answer to the question of how sound the JCP's strategy may be will be found in the results of the July election.

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POLITICAL AND SOCIOLOGICAL

'ASAHI': MOST LDP MEMBERS AFFILIATED WITH PARTY FACTIONS

OW061008 Tokyo ASAHI EVENING NEWS in English 5 Feb 80 p 3 OW

[Text] Eighty-five percent of the 3,106,703 members recruited by the Liberal-Democratic Party in preparation for the presidential election this fall belong to factions within the party, according to a nationwide survey carried out by the ASAHI SHIMBUN.

The biggest number, 905,000, belong to the Masayoshi Ohira and Kakuei Tanaka factions, but right behind them are the 841,600 supporting the Takeo Miki (Toshio Komoto) faction. The Yasuhiro Nakasone faction and Takeo Fukuda faction are far behind with 419,750 and 355,500, respectively.

Those who support centrist factions or who are connected with more than one faction total 160,900.

LDP Membership by Faction  
(Survey by the ASAHI SHIMBUN)

Faction	Members
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Ohira-Tanaka	905,000
Miki (Komoto)	841,600
Nakasone	419,750
Fukuda	355,500
Others	584,853
Total	3,106,703

That leaves about 440,000 whose affiliations are unknown.

It is expected that Ohira, Komoto and Nakasone will stand as candidates in the preliminary election for the party president. On the basis of the party member recruitment results, it can be considered that Ohira has won a total of over 1 million votes, including the 905,000 plus those supporting centrist factions or more than one faction who will probably vote for him.

Komoto increased his support by nearly 10 times from the last presidential election and is now considered a strong threat by the other factions.

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Nakasone was left far behind by Ohira and Komoto, but there is the possibility that he has greater support throughout the nation than appeared in the survey results.

The Fukuda faction suffered a big drop in the number of its supporters because it was not clear whether Fukuda would stand as a candidate and the faction itself did not aggressively recruit members. But it must be pointed out that the factional support is as of 2 February and when members actually vote in the preliminary election, there is the possibility that they will be affected by the results of the upper house election and by the changes in the political, economic and social conditions.

In the last preliminary election, the Ohira faction won 550,891 votes, while the Komoto faction had 88,917 votes, Nakasone won 197,957 votes and Fukuda, 472,503 votes.

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'AKAHATA' QUESTIONS LEGALITY OF REVISING SECRECY ACT

OW090959 Tokyo JPS in English 0921 GMT 9 Feb 80 OW

[Text] Tokyo, 9 Feb JPS--Availing itself of the self-defense forces espionage case, the Defense Agency presented an official view that it will adversely revise the SDF law to make severe the punishment of an SDF member leaking a secret. The agency on February 8 published a paper "Measures Taken To Establish a System for Maintenance of a Secret," expressing that the agency will consider a revision when "it is needed."

The February 9 issue of AKAHATA said that the aim of the agency measures is to discriminate SDF members from other civil servants and classify them as troops covered by a special law system. This constitutes a serious challenge to the Japanese constitution articulating the renunciation of war potential, said the paper.

AKAHATA also pointed out that a move to establish an espionage law governing all Japanese people has become active within the government and the Liberal Democratic Party. In this sense, the paper said, the move to make severe the SDF law punishment will become the first step toward introducing a war-time legislation governing the entire people.

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POLITICAL AND SOCIOLOGICAL

'AKAHATA' RAPS CALL FOR JAPANESE MILITARY DRAFT

OW111025 Tokyo JPS in English 0925 GMT 11 Feb 80 OW

[Text] Tokyo, 11 Feb, JPS--AKAHATA on February 10 carried an editorial entitled "The Seriousness of the Call for the Revival of Conscription." Excerpts of the editorial follow:

Kansai Economic Association Chairman Hosai Hyuga's statement on February 7 at a Kansai district business seminar, that "It is about time now that Japan should examine the introduction of conscription (compulsory military service), is an unpardonable attack on the constitution, which declares the renunciation of war, in pursuit of a lasting peace.

What must be taken seriously is that this is not simply a "feather-brained" statement of a business leader who is projecting to the right. This is a symbolic way of expressing a common plan of the ruling circles of Japan and the United States to mobilize the Japanese people towards military fascism, and to have the Japanese ruling circles positively cooperate and take part in the extensive U.S. buildup for world aggression, which is seen in the recent moves and statements of the Carter Administration. This is how serious the Hyuga statement is.

Recently, the LDP government is openly talking about a joint blockade of three straits by Japan and the United States in an emergency, and to extend the U.S. forces' sphere of operation under the Japan-U.S. security treaty to the Persian Gulf areas. The Federation of Economic Organizations (Keidanren) demands that the government promote formulation of a "fifth defense buildup program" and the development of weaponry. These are active responses to the U.S. demand that Japan increase its share in defense responsibilities.

Using the spy case involving self-defense forces officials, the government and the LDP are openly preparing for the introduction of a law to protect secrets.

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The Hyuga statement demanding that the establishment of a conscription system be considered and the defense allocation be increased indicates that this really is linked to the maneuver to lead Japan to military fascism, and is a serious attack on peace-loving people.

The Hyuga statement calling for the revival of the conscription is hostile to the constitutional principles; it should never be tolerated as it will open the way for malrevision of the constitution.

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'JAPAN TIMES' ON OHIRA'S VIEW OF U.S. DEFENSE REPORT

OW021128 Tokyo THE JAPAN TIMES in English 1 Feb 80 p 14 OW

[Editorial: "Mr Ohira's Reading of U.S. Report"]

[Text] In replying to questions during Wednesday's upper house debate, Prime Minister Masayoshi Ohira tried to assure legislators that there has been no major departure in U.S. policies regarding the defense of the Far Eastern region and military cooperation with this country. U.S. Defense Secretary Harold Brown's call for Japan's expanded defense programs, Mr Ohira explained, is but a general aspiration voiced for continued improvement of Japan's self-defense capability.

Likewise, the prime minister refused to see any particular cause for alarm in the so-called "swing strategy" which Secretary Brown mentioned in his latest annual defense report to the U.S. Congress. Mr Ohira regarded it also as a general concept in support of increased flexibility in the deployment of the U.S. forces, or a capability to swiftly move U.S. military units, normally based elsewhere, to another area.

The prime minister's interpretation, however, is less than persuasive. The U.S. defense report of 29 January is a faithful echo of the hard-line stance taken by President Jimmy Carter in his recent State of the Union message and speech, a declaration of the U.S. resolve to defend its and allies vital interests by any means necessary.

The U.S. view is that the world has entered a dangerous phase as shown by the events in Afghanistan and Iran, and the U.S. is now going ahead with a build-up of its military strength and counts on its allies to mount parallel efforts.

Washington makes the point of China's importance as a useful counterweight to the Soviet Union, provided, however, that Chinese leaders exercise restraint in foreign policy and keep essentially in step with the U.S. in relation to Vietnam above all. The report does not hide the concern that the U.S. alone cannot carry the heavy burdens of defense in the vast reaches of the Western Pacific and the Indian Ocean unless support is forthcoming from its Pacific allies.

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True, some policies and requests for allies are set forth only in general terms in the U.S. defense report. But the thrust of the message is clear enough. Prime Minister Ohira cannot afford to pretend now that there is no major change in U.S. defense and alliance policies. Consultations must be stepped up at all levels with Washington on what Japan can or cannot do to help protect the vital interests of the non-communist world and of its own.

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POLITICAL AND SOCIOLOGICAL

'AKAHATA' CRITICIZES OHIRA'S U.S. DIPLOMACY

OW261007 Tokyo JPS in English 0900 GMT 26 Jan 80 OW

[Text] Tokyo, 26 Jan JPS--AKAHATA on January 26 carried an editorial entitled "Premier's Speech and Independent Stance in Diplomacy." The editorial says that although Premier Ohira stressed an "active response in world affairs" in his administrative policy speech, the true aim of his speech was "to extend his subordinate-to-the-U.S. diplomacy over the world." The gist of the editorial follows:

"Since the first Ohira cabinet took office, the Japan-U.S. relations in subordination to the U.S. have been expanded politically, economically and militarily under this cabinet. For example, at last May's Japan-U.S. summit, it agreed to share the responsibility for 'peace and stability' in the Mideast, and has also promoted the 'concept of the Pacific basin' which will be effectually put under the leadership of the United States."

"One of the principles governing relations between states and nations, including international conflicts, is the defense of national self-determination," "On the contrary, Ohira said in his speech to the effect that Japan should cooperate in activities of the U.S. even if it will 'sacrifice' the interests of the Japanese people and the country, on the sole international principle of solidarity with the United States." What an 'independent stance' can be found in this speech?"

In addition, "The Ohira diplomacy following and cooperating with the Carter Administration which has laid bare its 'policy of strength', will inevitably make Japan walk in a very dangerous direction opposite to the worldwide current of non-alignment and neutrality.

"Another point to note is that Japan's subordination to the U.S., the relationship founded by the Japan-U.S. military alliance, prevents the Japanese economy and trade from developing independently and undermines the basis of Japan's self-sufficiency in foods and energy."

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"His call for promotion of the development of alternative energies, under the sponsorship of the U.S. will only help to extend the Japanese domestic market to U.S. oil majors and other multinational enterprises and to invite a more grave crisis."

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'JIJI' GIVES RESULTS OF MONTHLY OPINION POLL

OW091403 Tokyo JIJI in English 1252 GMT 9 Feb 80 OW

[Text] Tokyo (JIJI Press)--Following are the results of a monthly opinion poll conducted by JIJI PRESS 10-13 January (figures in parentheses show the previous month's results):

Q: Do you support the cabinet of Prime Minister Masayoshi Ohira?

Yes: 27.4 percent (27.0 percent)  
No: 44.6 percent (46.2 percent)  
I don't know: 28.0 percent (26.8 percent)

Q: What political party do you support?

Liberal-Democratic Party: 30.1 percent (29.9 percent)  
Japan Socialist Party: 10.9 percent (9.4 percent)  
Komeito (Clear Government Party): 3.4 percent (4.8 percent)  
Democratic Socialist Party: 2.3 percent (3.1 percent)  
Japan Communist Party: 2.1 percent (1.7 percent)  
New Liberal Club: Unchanged (0.3 percent)  
Other parties: - (0.1 percent)  
Conservative rather than reformist parties: 7.3 percent (8.3 percent)  
Reformist rather than conservative parties: 5.8 percent (5.2 percent)  
No party: 30.8 percent (31.8 percent)  
I don't know: 7.9 percent (5.3 percent)

Q: How do you feel about price trends:

Calming down: 1.7 percent (1.5 percent)  
Rising: 93.8 percent (94.9 percent)  
Dropping: 1.7 percent (0.3 percent)  
I don't know: 2.8 percent (3.3 percent)

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Q: What do you think of the domestic business trends compared with December last year?

Definitely picking up: 0.2 percent (0.6 percent)  
Slightly better: 5.3 percent (8.5 percent)  
No change: 42.0 percent (47.0 percent)  
Slightly worsening: 36.2 percent (31.4 percent)  
Definitely worsening: 5.7 percent (3.8 percent)  
I don't know: 10.7 percent (8.8 percent)

Q: Do you think Japan should align with the free world or the communist bloc, or stay neutral:

Free world: 54.9 percent (55.5 percent)  
Communist Bloc: 2.1 percent (1.5 percent)  
Neutrality: 21.4 percent (21.5 percent)  
I don't know: 21.6 percent (21.5 percent)

Q: Please list up to three nations you like.

The United States 39.0 percent (37.4 percent), Switzerland 34.5 percent (35.0 percent), France 25.2 percent (26.6 percent), Britain 23.0 percent (26.0 percent), China 16.9 percent (15.5 percent), West Germany 14.9 percent (15.4 percent), India 2.2 percent (1.3 percent), South Korea 1.1 percent (0.9 percent), the Soviet Union 1.1 percent (1.4 percent), North Korea 0.6 percent (0.3 percent), none 34.9 percent (34.0 percent)

Q: Please list up to three nations you dislike.

The Soviet Union 50.2 percent (45.6 percent), North Korea 29.1 percent (28.2 percent), South Korea 22.6 percent (23.8 percent), India 6.0 percent (4.8 percent), China 5.7 percent (6.3 percent), the United States 4.5 percent (3.6 percent), West Germany 3.6 percent (3.9 percent), Britain 1.3 percent (1.1 percent), France 1.2 percent (0.8 percent), Switzerland 0.6 percent (0.1 percent), none 40.0 percent (42.2 percent).

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POLITICAL AND SOCIOLOGICAL

'JAPAN TIMES' COLUMNIST ON INCREASING DEFENSE SPENDING

OW020123 Tokyo THE JAPAN TIMES in English 2 Mar 80 p 1, 4 OW

["Our Times" column by Masaru Ogawa: "Upping Defense Outlay"]

[Text] In what could be taken as a concerted effort, government, political and business leaders have come forth recently with proposals to increase the present level of defense spending from the present 0.9 percent of the GNP to 1 percent.

This reflects the realization that Japan cannot depend wholly on the United States for its security and must do more to shore up its own defense in this period of tension caused by the Soviet aggression in Afghanistan.

For years, there has been the feeling in the U.S. that Japan was taking a "free ride" on the Japan-U.S. security treaty. But there was also a diversity of views on the advisability of encouraging Japan to expand its military capacity.

The Afghan crisis, however, has exposed the U.S. need to call upon its free world allies for cooperative action. The response has not been unanimous by any means. This could be because some nations have already written off Afghanistan, which is unfortunately tantamount to saying that aggression does pay.

The thrust of the Japanese increase of its defense outlay would naturally be to raise its deterrent capacity against attack from a potential aggressor. It would also presuppose the continued viability of the Japan-U.S. security treaty, in which Japan would be playing a larger role than in the past.

The recent discussions on raising the defense budget to 1 percent of the GNP got under way early last month when a Kansai business leader, Hosai Hyuga, proposed that it should be increased 1.0 percent.

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He said that the percentage of the GNP being spent by Japan was the lowest of any advanced nation, and that the essence of security is its capability to defend itself. Otherwise it cannot call itself independent.

In an apparent effort to create a shock, Hyuga also suggested early consideration of a military draft in preparation for an emergency. This is of course, an impossible proposal in the absence of a constitutional revision.

But his proposition to more than double the present defense expenditures did cause a stir. This was not only because of the size of the increase proposed but also because no business leader had come out so clearly with a public statement on the issue.

Later in the month, however, the NEW YORK TIMES reported that the document prepared by Washington for the NATO meeting in mid-March mentioned efforts being made to ask Japan to increase its defense spending to 1 percent of its GNP.

Almost at the same time, the Foreign Ministry's deputy vice minister for administration, Toshio Yamazaki, said that the present 0.9 percent level was inadequate and that the 1 percent goal for the nation's defense outlay should be attained.

This was followed by press reports last week that Foreign Minister Saburo Okita on his coming visit to Washington would convey Japan's determination to increase its defense capabilities and to reach the level of 1 percent of its GNP.

The Foreign Ministry at the same time is studying the possibility of increasing Japanese share in the procurements for the U.S. bases in Japan. This would involve an expansion of the security treaty provisions, but it is an effort to demonstrate the nation's willingness to bear a large share of the defense burden.

Both ex-minister Nobuhiko Ushiba and Kiichi Saeki, members of the Japan-U.S. economic relations group, known also as the "Wisemen," have also voiced their support for greater defense efforts. They noted that increased defense spending would offset the American feeling of Japan taking a "free ride" on defense despite its means and would ease the eruption of economic frictions.

In his meeting with the "Wisemen" last week, Prime Minister Ohira, however, took the position that Japan would make "steady" progress toward improving its defense capabilities but could not move "rapidly." He gave as his reason the nation's unfavorable financial condition, which depends heavily on government bonds and would require increased taxes for new expenditures.

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Ohira added that welfare costs might be scaled down and that public consensus must be attained.

What he did not mention was his fear of arousing his political opponents and of inviting press attacks, especially at this time when the House of Councillors election is close at hand.

But he did receive a sharp retort from Toshio Komoto, who unseated Ohira at the Liberal-Democratic Party's yearend intraparty presidential election. Komoto has pointed out that increasing the defense spending by 0.9 percent of the GNP, which would total at the most 400-billion yen, could be achieved within the present limits without depending on new bond issues, fresh taxes or decreasing welfare costs.

Komoto, to be sure, has taken this opportunity to present an image of positive boldness in contrast to Ohira's negative cautiousness. He also has his eye on support from economic circles.

Now that Ohira is expected to visit the U.S. during the Japanese "Golden Week" holidays in late April and early May, he will have to prepare convincing arguments as to why Japan cannot move faster in improving Japan's defense capabilities. For that is a question which will surely be asked.

In view of what it would cost if Japan had to go it alone in defending the nation, 1 percent of the GNP is a bargain.

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BRIEFS

JAPAN-ROK FORCES DRILL--Atsuyuki Sasa, defense agency counselor, stated in the Diet Saturday that it was permissible from the legal point of view for the self-defense forces to hold joint training with South Korean forces. The statement came at a meeting of the House of Representatives budget committee, when Dietman Yoshinori Yasui of the Japan Socialist Party posed a question concerning maritime self-defense forces participation in the RIMPAC joint maneuvers. Sasa also said, however, that the SDF cannot take part in any joint training which presupposes a collective exercise of the right of self-defense. He cited the U.S. South Korea joint military maneuvers called Team Spirit 78 and 79, and said the SDF could not take part in such maneuvers which he said were held for the purpose of defending South Korea against aggression from the north. He added that the defense agency at present is not contemplating joint training with the South Korean forces, because the necessity or propriety of this kind of military training has not yet become an actual problem. [OW111426 Tokyo THE JAPAN TIMES in English 10 Feb 80 p 2 OW]

MILITARY DRAFT SPARKS DEBATE--Osaka--A business leader's call for conscription in Japan led to a heated debate on national defense at a two-day meeting of businessmen that ended in Osaka Friday. The call for conscription was made by Hosai Hyuga, president of the Kansai Economic Federation, at a seminar attended by about 250 businessmen in Western Japan. He said the government should study a conscription system to prepare for national emergencies. Up to now, most business leaders have considered the defense issue taboo and refrained from discussing the subject. The fact that the subject has in fact been taken up is a reflection of the latest series of international incidents such as the Iranian revolution and the Soviet invasion of Afghanistan. Tadashi Sasaki, chairman of the Japan Committee for Economic Development, said in a new year message that the people should now seriously discuss defense as a national subject. Sasaki is a former governor of the Bank of Japan. The Federation of Economic Organizations recently decided to ask the government to double its expenditure on defense research and development. At the businessmen's seminar, however, Hyuga's proposal for conscription failed to receive positive backing from most participants who thought his appeal too premature to be formally debated. [OW101128 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 4 OW]

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DRAFT, MORE DEFENSE SPENDING URGED--Kyoto, 7 Feb (JIJI PRESS)--An influential business leader said Thursday the time is ripe for Japan to study establishing a draft system to provide for an emergency. Hosai Hyuga, president of the Kansai (Western Japan) Economics Federation, also told a business seminar here Japan should increase the ratio of defense spending to Gross National Product (GNP) from the present 0.9 percent to 1.9 percent, the level of Switzerland, which he noted is the lowest of any developed nation other than Japan. He made the remarks apparently with the recent buildup of Soviet military power in mind. Hyuga said the GNP ratio of Japan's defense budget is the lowest among industrialized nations, adding a country is disqualified as an independent state unless it strengthens its defense capability on its own. He expressed doubt if Japan could conduct diplomatic negotiations, such as on reversion of the Russian-held northern territories to Japan and fishing rights, on equal terms without maintaining a certain level of defense capability. [OW071501 Tokyo JIJI in English 1429 GMT 7 Feb 80 OW]

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MILITARY

EXPERTS COMMENT ON NATIONAL SECURITY

Reciprocal U.S.-Japan Relations

Tokyo ASAHI SHIMBUN in Japanese 6 Jan 80 p 1

[Article by ASAHI SHIMBUN Chief Editor Jun-nosuke Kishida]

[Text] Changes in Mutual Security

In a Japanese opinion poll (ASAHI SHIMBUN 3 January 1980), the question was asked, "What would you do in the event of invasion by a foreign army?" Of the respondees, 31 percent said they "would fight;" 21 percent said they "would flee;" 23 percent replied they "would surrender" and 15 percent answered they "would think about it when it happens." It was explained that the bitter experiences of World War II and Japan's development to a world economic power in 30 years despite its disastrous defeat were underlying factors for the various responses.

However, the response of the generation drafted in the war was not much different from the response of the generation which did not experience the war. Those who "would flee" belonged mostly to the postwar generation. What are the reasons?

In reply to this question, I would like to add the interpretation that "a structural change is taking place in national security." Just as the values of advanced societies have become diverse, so have the concepts of national security. Perhaps the term "comprehensive national security" is an outcome of such diversification.

Threats and Values Have Both Become Diverse

The 1973 oil crisis was the turning point which caused many people to feel that national security should be considered not only from a military viewpoint, but in a broader scope. The term "economic national security" is now frequently used. In the latter 1920's, it was broadly used as "collective national security."

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This was an inevitable trend. The term national security is applied to the system of policies which concerns security "from what" (various threats), "For what" (values to be defended) and "How" (methods). The content of each facet becomes complex in proportion to the development of the economy and progress of the society.

Of course, the military threats cannot be ignored. There is no argument there, but attention must be paid to the threats of natural calamities which come to definite cycles. As the result of man's greater capacity for activity, the boundaries of this earth have been clarified. Also, further uncertainties of accessibility to resources, energy and food have now become apparent. Such threats could directly endanger our livelihood if we are careless. Internally, there is increasing pollution of the environment and accidents. Threats exist everywhere, at home and abroad, and are daily occurrences.

To the question, "What do we defend?", the immediate reply would be, to protect the survival of the state and the people. But the simple word "survival" includes diverse aspects, such as physical survival, political survival, survival of high living standards, survival of the pursuit of a qualitative and meaningful life, etc.

Neither is there a simple method concerning "how" national security is achieved. In addition to military means, many different measures could be pointed out, such as detente, diplomacy, economic development, economic exchange, stability of the national livelihood, technological development, technical exchange, enhancement of the national spirit, elevation of the nation's intellect, cultural exchange, international opinion, etc.

There has thus been diversification in all the facets of defending "what," "from what" and "how." The national security system requires comprehensive structuring. It has come to the point where an effective policy cannot be maintained without comprehensive national security.

It should be noted that comprehensive national security has two important characteristics which are interrelated. These characteristics in turn demand qualitative changes in national security. In fact, this could be viewed as a return to the original nature (of security).

Premise of "Emergency" Is Unrealistic

The first characteristic is "routineness." Military national security is generally based on the hypothesis of "an emergency situation." The basis of national security in the modern world--or comprehensive national security--is "routineness." For instance, "economic national security" seeks to secure the stability of daily economic activity. It has been commonly acknowledged, since the oil crisis, that this is extremely important for the national security. As the oil problem typically shows, the threat itself has become routine. Therefore, constant efforts to improve relations with the opposite nation(s) in the form of economic and technical cooperation and

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other exchanges, as well as the accumulation of such daily efforts, inevitably formulate the basic direction of national security. This does not mean that "force" is not necessary for national security. But the main ingredient is not military "force" which is invoked in times of emergency, but the continuing economic, industrial, technological or cultural forces, with which a nation conducts exchanges with the opposite nation(s). This is what is meant by "routineness."

Today, hypothetical wars between advanced nations are seldom considered for two reasons--the fact that advanced nations have become increasingly affluent, and the advent of nuclear weapons. It is because the loss through wars has become incomparably greater than the gain. A policy of national security based on the premise of "an emergency" thus becomes increasingly unrealistic. Therefore, it could perhaps be explained that the buildup of military power must inevitably be based on the concept of "deterrence," which carries a connotation of routineness.

A report by the Nomura General Research Institute, "Changes in the International Environment and Japan's Response: A Proposal for the 21st Century," lists as items of expenditure for comprehensive national security six items: stockpiling oil-raw materials-food, development of oil-uranium ore, research on new forms of energy, governmental development aid, cultural exchange, and defense. This is probably not an exhaustive list, but as it indicates, the majority of items concerning national security are necessary as normal policy.

The "routineness" of today's national security is clear. In fact, it is a factor which makes it difficult to pinpoint the content of comprehensive national security. The reason is that the borderline between normal policy becomes indistinct. As for the problem of appropriate allocation of human resources and funds to various areas of national security, the areas calling for balanced appropriation inevitably become wider in scope and more complex due to the strong impact of routineness. Nevertheless, challenging this complexity is the most urgent task facing national security in the modern age.

#### Global Concern a Necessity

The second characteristic is the difficulty of securing a nation's safety in today's world of progressive interdependence, without creating conditions wherein the security of other nations concerned are also guaranteed. This may be called the "interdependence" of national security. In order for Japan's security to be ensured, it is necessary to increase the stability of Asian nations. When political conditions in the Mideast become unstable, Japan's economy is immediately threatened. Without an equal share in the burdens of broad care and contribution, such as diplomatic considerations, cooperation toward the independence of developing countries and humanitarian obligations, Japan's own national security cannot be maintained. In other words, the interdependence of national security has increased. As a matter of fact,

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interdependence has hitherto existed also in the military phase. It was called a system of collective security. But it was confined to the safety of one's own camp of nations. When one camp increased its security, the adversary camp felt threatened by it. It was of such a nature that the vicious cycle of unlimited armament competition was unavoidable.

Today's national security characterized by "routineness" is different. It is necessary to minimize the hierarchy and exclusiveness among nations and to put security on a foundation of interdependence on a global scale.

As far as Japan is concerned, actions based on self-awareness as one of the leading nations of the world is expected of it. Japan should always bear in mind what it must do and what it can do to maintain the security of the world (within routine limits). Otherwise, it will receive criticism for "taking a free ride."

Prior Decision and Persuasion

Of course, the phrase "taking a free ride" must not be interpreted as demanding increased defense funds. As a nation based on a peace Constitution, Japan must decide on concrete measures from the standpoint of carrying out its duties and responsibilities toward the promotion of world stability and the future security of mankind.

Additionally, it is necessary for Japan to accustom itself to making decisions itself. It can no longer continue to react to situations as it used to when its national power was less significant. It must not neglect efforts towards decisionmaking and towards persuasion in creating understanding of those decisions among the nations concerned. If these efforts continue to be neglected, it may only further the image of Japan as an egoistic and crafty nation.

Maturity as one of the principal nations of the world is an urgent task which Japan faces.

Era of Interdependence

Tokyo ASAHI SHIMBUN in Japanese 10 Jun 80 p 5

[Article by Akio Watanabe, Professor of Tokyo University]

[Text] Posture of Mutual Reciprocity Indispensable for National Security in New Era

In connection with the recent U.S.-Iran controversy, the large-scale purchase of Iranian oil by Japanese trading companies at high prices enraged U.S. Government authorities, and Secretary of State Vance reportedly criticized Japan in Foreign Minister Okita's face for its "lack of sensitivity." According to one newspaper account, Secretary Vance used the word "insensitive." If so, to translate it into Japanese as "donkan" (dull, stolid) or "kan ga warui" (slow-witted) would in itself be "insensitive."

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In any case, it is often said that the Japanese--both as individuals and as a nation--are sensitive to foreign affairs and have ears like those of a rabbit. This is probably true. The extent to which the newspapers, read daily by the Japanese people, pay attention to international affairs probably has few parallels. According to a public opinion poll conducted by the Prime Minister's Office last August with the cooperation of the Foreign Ministry, 58 percent of the respondees admitted taking an interest in events abroad and in relations between Japan and foreign countries, leaving a considerable gap between them and the 33 percent who expressed no interest. Moreover, these figures indicate a marked increase in contrast to the two previous polls. Nevertheless, speaking from the standpoint of diplomatic sense, there is apparently an aspect of the Japanese which invites the epithet "insensitive." There is the question whether it is sensible for someone in the position of a secretary of state to resort to such language, but let us leave that question aside for the moment. In other words, the Japanese are not lacking in information concerning international affairs, and in that sense they are fully "concerned." But isn't there a kind of "slow-wittedness" in the manner in which that concern is manifested--in the way the Japanese view international relations?

Seen from such a perspective, how does Japan's rhetoric concerning national security appear? At its 16th party convention in January of last year, the Komeito party formally approved Chairman Takeiiri's "personal opinion" of the "recognition" of the Self Defense Forces as party policy. At this year's party convention, it will reportedly remove the phrase that "the U.S.-Japan security pact is a dangerous alliance" from its basic policy. Also, following Chairman Asukata's visit to the United States, the Japan Socialist Party (JSP) has apparently begun to adopt the idea that the question of abrogation of the U.S.-Japan security pact depends on agreement between Japan and the U.S. In any case, the notion that the *raison d'etre* for a security system to meet the threats of China and the Soviet Union has lost half its significance is becoming a thing of the past.

When a change in the international environment impacts on the policy debate in a given nation, it generally takes the indirect path of following an internal political course. In today's politics in Japan, public opinion plays a major role. Therefore, it is correct to conclude that behind the changes in the attitudes of the political parties lies the trend of public opinion. In the ASAHI SHIMBUN poll of October 2 years ago, approximately half (49 percent) of the respondees affirmed that the U.S.-Japan security treaty benefits Japan. When one considers that previously supporters of this view totalled only about one-third of the respondees, it is a conspicuous change.

But what is probably more important is the change in the people's view vis-a-vis the question of whether the U.S. commitment towards Japan's defense is dependable or not. The affirmatives have decreased from 31 percent 10 years ago to 20 percent 2 years ago.

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Even changes of this extent might be said to be extremely slow and inconclusive, when seen from the perspective of convulsive changes in the international environment. The thinking remains that, for the security of Japan, it is most important not to be drawn into the "dangerous thing" called the global strategy of the United States. The question of what Japan itself could contribute to world security was not asked very much in the past, and when it was asked the reply was that the greatest contribution to peace for Japan was not to commit any wrong (aggression).

Of course, that is right. But that alone does not suffice. It is merely insisting that abstinence from wrongs is the greatest and only contribution to the maintenance of peace, which is inadequate from the standpoint of public duty. In the era of mutual interdependence, the viewpoint that security is not merely one's own value but the value of the entire community is indispensable. Without this outlook, one becomes insensitive to the contributions and efforts of others towards that end. That is the pitfall of debates on national security in this era of interdependence.

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ECONOMIC

BANK OF JAPAN EXPECTED TO RAISE DISCOUNT RATE IN MARCH

OW090948 Tokyo MAINICHI DAILY NEWS in English 8 Feb 80 p 5 OW

[Text] The Bank of Japan will probably raise the official discount rate around the middle of March by some 0.75 percent from the present 6.25 percent per annum, the MAINICHI has learned from sources both in the government and the Central Bank.

The Central Bank may boost the rate earlier, or toward the end of this month depending on prices and the yen's exchange rate, they added.

If the rate is increased the official discount rate will have been elevated for the fourth time since last April when the Central Bank turned to a tight money policy in order to reduce inflation. The discount rate hike would also have effects on long-term interest rates such as those carried by public bonds and bank deposits.

These remained intact in the previous rate hikes.

The Central Bank has been keeping a close watch on commodity prices, especially those of petroleum products, and the economic situation since the OPEC general meeting in Caracas last December. BOJ has been particularly concerned about the "free for all" price mechanism being followed by members of the Organization of Petroleum Exporting Countries.

In this study the bank has arrived at the following conclusions:

1. The oil price situation has been growing worse as oil producing Middle East countries, including Saudi Arabia and Iran, increased their prices and were followed by Indonesia and North African countries;
2. Under the tightening demand-supply situation on the international market, commodity prices centering on nonferrous metals have risen sharply, pushing up wholesale prices on a wide range of--not only imported goods but domestic products; and

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3. Large increases are expected in electricity rates and the wholesale prices of steel products from April and they will certainly affect commodity prices.

The view of the Central Bank is that these factors may drive up inflation further unless the official discount rate is raised again.

In reflection of crude oil prices the index of wholesale prices in the first 10 days of January rose 0.7 percent over the previous 10-day period. A 0.7 point hike was also seen in the second 10-day period.

If this tendency continues the wholesale price index for January is expected, BOJ sources said, to rise close to 2 percent over December, or 18 percent over the year before.

The bank sources are afraid that this trend might have adverse effects on commodity prices and the coming spring labor offensive for higher wages.

As for the effect of the rate hike on slowing the economy the bank sources are rather optimistic. The raise of the official discount rate would not "overkill" the growth of the nation's economy as might be feared in industrial circles, they added.

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ECONOMIC

AMENDED INDUSTRIAL STANDARDS ACT SUBMITTED TO DIET

OW071341 Tokyo MAINICHI DAILY NEWS in English 6 Feb 80 p 3 OW

[Text] The government has submitted to the current Diet session a bill to partially amend the industrial standards act. The main purpose of the bill is to open the Japanese Industrial Standards (JIS) marking system to foreign manufacturers and the essentials of the bill summarized by the Ministry of International Trade and Industry (MITI) are as follows:

I. Objective of the Bill

1. The standards code (agreement on technical barriers to trade) of the Tokyo round of trade negotiations includes two provisions to ensure that standards and certification systems of each nation do not constitute unnecessary barriers to international trade: (1) Industrial standards of each country shall be in conformity to international standards, and (2) domestic certification systems shall be applied to imported commodities.

These provisions force Japan to open the JIS marking system of the industrial standards act to imported commodities.

2. The JIS marking system, the main objectives of which are to make trade simple and fair as well as to rationalize the utilization and consumption of commodities, has played a vital role in protecting consumers. The JIS mark has become the index by which to select commodities.

The system is expected to assume a still greater role as higher-quality and more complicated commodities are put on the market, and as additional quality and performance are required of products in terms of safety, environmental protection, and the saving of natural resources and energy.

In order to cope with these trends adequately, the system should be expanded so as to make the JIS mark function as a more trustworthy mark.

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II. Outline of the Bill

1. Foreign manufacturers are allowed to participate in the benefits of the Japanese industrial standards marking system (the JIS marking system).

(1) Foreign manufacturers and processors can stamp the JIS mark on their commodities produced in those factories that are specifically approved by the minister in charge.

(2) A foreign factory is on an equivalent basis with a domestic factory in the procedure for approval. The minister in charge will conduct practical examinations of factories and can take necessary steps to supervise approved factories, including spot inspections if required.

(3) Dealers are allowed to sell in the domestic market those imported commodities carrying the JIS mark only when they are produced in approved factories described in the above subsection (1).

2. Inspections by accredited agencies can be conducted.

(1) The minister in charge may officially announce his intention to inspect the commodities carrying the JIS mark when he feels the need for inspection to secure conformity to the JIS.

If the announcement is made, the factory producing the designated commodity is subject to the inspection (the JIS conformity inspection) by the organization (the inspection organization) specifically designated by the minister in charge within a specified period.

(2) The minister in charge can authorize an on-the-spot investigation of those factories which are not subject to the above inspection or which are judged, based on the inspection, to produce the designated commodities not in conformity with the standards, and can order the factory not to stamp the mark on the pertinent designated commodity for sale within a specified period (40 days at the longest) before necessary steps are taken.

(3) The competence of the minister described in the above subsection (1) and (2) is applicable to the foreign approved factories with the exception that the specified period described in the subsection (2) is extended to 80 days at the longest.

3. If commodities are not produced at approved factories, the JIS mark, or any like mark that may be misleading, cannot be stamped on any commodity, even when not designated.

(1) No manufacturer is permitted to stamp the JIS mark, or any like mark that may be misleading, on any commodity other than those designated. This is done in order to maintain the authority of the marking system.

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(2) The above is also applicable to imported commodities.

4. The interval to review Japanese industrial standards is set at the interval for the international standards.

Where the minister in charge was required to bring Japanese industrial standards once in three years under the deliberation of the Japanese industrial standards committee for review, the time period is relaxed to five years in conformity with international standards.

5. Others

In accordance with the above amendments, the regulations concerned are to be modified accordingly.

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ECONOMIC

INDUSTRY MACHINERY ORDERS MARK ALL-TIME HIGH IN 1979

OW101132 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 5 OW

[Text] Industrial machinery orders in the 1979 calendar year registered an all-time high of 5,011.7 billion yen, an increase of 27.3 percent over the preceding year, the Japan Society of Industrial Machinery Manufacturers reports.

The previous record was 3,937.6 billion yen in 1978.

Domestic demand in 1979 amounted to 2,873 billion yen, up 7.2 percent compared with 1978, while exports stood at 2,138.7 billion yen, up 70 percent.

Prime mover orders in 1979, however, decreased by 0.1 percent to 804.8 billion yen and mining machinery, by 8.8 percent to 67.2 billion yen.

The society said the sharp increase of machinery exports was due to large plant exports.

Industry machinery orders last December totaled 400.9 billion yen, an increase of 0.2 percent over a year before, the society said.

Domestic demand in December totaled 197.2 billion yen, down 1.7 percent from the same month of 1978, while exports stood at 203.7 billion yen, up 13.5 percent.

General machinery orders in December, adjusted for seasonal factors, were down 13.3 percent from the previous month, the Economic Planning Agency (EPA) announced Thursday.

New private orders, a bellwether of plant and equipment investments six to nine months hence, declined 10.9 percent from the preceding month. The orders exclude contracts placed by the electric power industry and those for ships, both of which tend to fluctuate widely and thus distort the spending picture.

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However, total orders for October-December were up 6.5 percent from the previous quarter. Private orders, except those from the power industry and for ships, were also up 15.7 percent.

General machinery orders in all of 1979 totaled 12,568.1 billion yen, up 19.5 percent from the previous year or the largest percentage growth since 1973 when the rate of rise was 64.5 percent.

Private orders in the past year totaled 6,339.2 billion yen, up 18.12 percent.

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ECONOMIC

'JAPAN TIMES' VIEWS TRADE ISSUE WITH U.S., AUTO EXPORTS

OW080135 Tokyo THE JAPAN TIMES in English 7 Feb 80 p 12 OW

[Editorial: "Japan-U.S. Car Trade"]

[Text] Trade friction between Japan and the United States is becoming almost a perennial problem. Since late last year, following what appeared to be a brief lull, trade relations between the two countries have shown signs of strain, and many fear that the situation could get out of hand unless Japan acts more quickly.

One of the problem areas is the Japanese car exports to the U.S. Last year, Japan sold more than 2 million motor vehicles there, accounting for most of America's car imports. Troubled by a sales slump and some 200,000 people thrown out of work, the American automotive industry and union want Japanese auto producers to start locally-based production in the U.S. so that the swelling inflow of finished car products from Japan may be reduced.

Smaller, fuel-efficient foreign cars have a definite competitive edge over larger U.S. models that consume more gasoline. But the current trouble of the U.S. auto industry cannot be blamed solely on imports. The U.S. industry, for its part, has failed to prepare in time for a surge in domestic demand for small cars. Giant U.S. auto manufacturers are now changing directions, to meet the challenge and no practical purpose would be served by arguing they could have done that earlier.

The point here is that the U.S. car industry is plagued by plant shutdowns and massive worker lay-offs. In the face of the painful readjustment under way in the U.S., the Japanese car industry cannot afford to go on shipping finished cars as rapidly as they did in the past and to allow protectionist sentiments to build up in the U.S.

The Japanese auto makers are compelled to think about the "political" as well as economic dimensions of the problem confronting them. There is a real danger that an untamed expansion of their finished car exports to the U.S. could touch off a wholly unwelcome reversal of U.S. trade policy in one of

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the mainstay product line and eventually boomerang not only on the exporters themselves but on the overall Japan-U.S. relations. Organizing manufacturing activities in the U.S. and contributing to jobs and incomes there seem to be a sensible course of action.

But it is equally obvious that production there must be economically feasible. A plan recently announced by Honda Motor Company to build cars in Columbus, Ohio, should be one based on a hard-headed business judgement and not dictated by any "pressure" from the U.S. Presumably, that is also the way in which Toyota and Nissan, the two largest Japanese car makers, approach the decision-making on whether they should move into the U.S.

Such direct investment, however, is only one way of resolving the problem of the lop-sided Japan-U.S. car trade. Japan, which has already accepted U.S. investment in its car manufacturing industry, can conceivably accept many more American cars--not large "gas guzzlers" but small ones that American auto makers will be producing in the future.

The bilateral trade in motor vehicles is now heavily in favor of Japan. In 1978, this country exported about \$7 billion worth of autos, trucks and buses, of which passenger cars accounted for \$5.7 billion. On the other hand, imports of U.S.-made autos amounted to less than \$100 million. Much of this imbalance is due to the fact that U.S. models do not meet the needs of ordinary Japanese drivers. But it can be reduced substantially once the U.S. begins to produce more competitive models.

Americans apparently continue to think that the Japanese market is not as wide open as it should be, despite the fact that many "nontariff barriers," let alone tariffs, have been either abolished or reduced. It is difficult to think that the wide gap in car trade will be allowed to continue forever. In 1978, Japan sold more than 1.5 million autos in America, while the U.S. sold only 13,000 in Japan.

There is also something that the United States needs to do in order to alleviate this potentially explosive problem. For instance, the United Auto Workers (UAW), which appears to be turning protectionist-minded, can help by going slow on their overzealous bid to invite Japanese investment.

Last month, the president of the powerful union, Mr. Douglas F. Fraser, warned of special legislation designed to compel foreign car markets to build manufacturing plants in the U.S. The proposal would make it mandatory for firms exporting more than 200,000 cars a year to the U.S. to undertake production there. Such a move is clearly going to extremes, which would not resolve but rather exacerbate the problem.

U.S. car giants, for their part, can develop models that would be sufficiently attractive to Japanese drivers to expand their sales in this country. Japanese would not be loath to buy American autos if they are competitively priced, or high quality and delivered with assurances of reliable after-sale service.

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MITI MAY ASK AUTO INDUSTRY TO EXERCISE EXPORT RESTRAINT

OW101325 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 5 OW

[Text] Amid mounting U.S. pressure on Japanese automakers to produce cars in the United States, the Ministry of International Trade and Industry (MITI) is considering asking the Japanese automobile industry to exercise "voluntary restraint" to hold down exports to the U.S. market, a senior MITI official said Friday.

In disclosing this idea, the official welcomed Toyota Motor Co.'s reported plans to reduce its car exports to the U.S. below its originally planned level. Teizo Yamamoto, president of Toyota Motor Sales Co., said Thursday the industry should "exercise self-restraint" to check a fast rise in exports to the U.S.

The MITI official noted that exports of Japanese cars to the U.S. have been growing at an annual rate of more than 30 percent in recent months. Japanese cars grabbed a U.S. market share of 22 percent in January. The MITI official called the share too big."

U.S. Government officials and U.S. automobile industry circles have been prodding Japanese automakers, specifically Toyota and Nissan, to build facilities in the U.S. to start production of cars to compete on even terms with their U.S. rivals and to provide jobs for American workers.

The MITI official said that his ministry would have to consider seriously the advisability of seeking self-restraint from Japanese makers through its administrative guidance.

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MITI OFFICIAL INDIRECTLY RAPS UAW'S FRASER

OW161120 Tokyo THE JAPAN TIMES in English 15 Feb 80 p 5 OW

[Text] A senior official of the International Trade and Industry Ministry (MITI) expressed hope Thursday that Japan's automobile industry will manage to open assembly plants in the United States with the long-term view in mind of ensuring stable trade relations between the two countries.

The official warned, however, that emotional exchanges would only discourage Japanese auto makers from considering capital investment in the U.S. more positively.

This remark was taken to be indirect criticism against United Auto Workers (UAW) President Douglas Fraser and the verbal campaign he launched here to press his demands.

"He (Fraser) should have paid more heed to the delicate psychology of Japanese management," the official noted.

The MITI official, who asked to remain anonymous, also said that despite mounting charges in the U.S. auto industry and union as well as in congress against Japan's explosive small car exports, the U.S. Government has not yet delivered any formal request on the issue to its Japanese counterparts.

MITI is planning to dispatch Naohiro Amaya, vice minister for international affairs, to Washington later this month to collect information, according to the official.

He also noted that the U.S. President's special trade representative Reubin Askew is scheduled to visit Japan around the middle of May to discuss pending bilateral trade issues which are "of a far more serious nature than the car issue."

He, thus, said he believed the latest problem would be smoothed out before Askew's projected visit, though he did not specify what sort of solution he had in mind.

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'ASAHI': UAW OFFICIAL URGES MANUFACTURING JAPANESE CARS IN U.S.

OW190829 Tokyo ASAHI EVENING NEWS in English 18 Feb 80 p 5 OW

[Editorial, ASAHI SHIMBUN 16 February: "Making Cars in U.S."]

[Text] The question of Japanese car exports to the U.S. has surfaced in the economic relations between Japan and the U.S. during his recent visit here, Douglas Fraser, president of the United Auto Workers of the U.S. urged the leaders of the Japanese Government and automobile manufacturing companies to begin producing cars in the U.S. and to voluntarily control the export of Japanese cars to America. However, the leaders of Toyota Motor Co. and Nissan Motor Co. remained cautious, saying that now is not the time to make a decision on whether to manufacture automobiles in the U.S. the two sides stood far apart.

Prime Minister Ohira has said that he believed something had to be done to prevent the deterioration of economic relations between Japan and the U.S. The Ministry of International Trade and Industry plans to continue encouraging Toyota and Nissan to manufacture cars in the U.S. In connection with this problem, U.S. ambassador to Tokyo Mike Mansfield warned late in January that the situation was like a bomb with an ignited fuse. We hope that the government will take proper steps regarding the U.S. demand to curb exports so that the issue will not develop into a political problem between Japan and the U.S., with Tokyo acting too late to deal with the situation.

It is necessary to consider this problem from the standpoint of Japan-U.S. relations. Exports of Japanese vehicles to the U.S. in 1978 were sluggish because of the rise in the value of the yen, and inventory in the U.S. continued to increase until February last year. However, due to the combined effects of U.S. consumer interest in small cars because of the second oil crisis and the drop in the value of the yen, Japanese cars started to enjoy brisk sales from around March. Last year, Toyota exported 500,000 cars and Nissan 470,000. Exports of all Japanese vehicles to the U.S. that year registered a sharp increase of 30 percent over shipments made in the previous year.

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On the other hand, because car buyers shunned large vehicles, American-made cars sold in the U.S. last year totaled 8,330,000, recording a drop of 10 percent from the preceding year. Some 220,000 autoworkers are being laid off. In particular, Chrysler, which had made a slow start in its small car strategy, recorded an all-time-high deficit exceeding \$1 billion. Fraught with serious management problem, American Motors has sought capital participation by Renault of France. Viewed from the standpoint of the UAW, Pres. Fraser's calls are understandable.

However, Toyota and Nissan are well aware of the management risks involved in manufacturing cars in the U.S. As problems connected with the production of cars in the U.S., the following are cited in general: (1) The big risks involved in the investment of huge amounts of money; (2) Uneasiness over the quality of labor and plant control; (3) The differences in Japanese and American industries manufacturing car parts; (4) Concern over the quality of vehicles to be manufactured; and (5) The possible emergence of U.S. car models that will compete with the automobiles to be produced by the Japanese firms in the U.S.

The Japanese makers are mainly concerned about American manufacturers' plans to produce small cars which they hope to place on the market in two or three years and their plan to spend more money than was spent by the U.S. Government on the Apollo project in developing these cars. Even if Toyota and Nissan started today to make preparations to produce cars in the U.S., their plants would open about the same time the U.S. manufacturers would be introducing their new small cars. With investments of \$1 billion or \$2 billion, Toyota and Nissan may not be able to build factories large enough to reap the economic advantages of mass production and may be driven into the Pacific if they are not careful. Judging from a purely economic standpoint, they cannot be blamed for hesitating to build plants in America.

However, the possibility is strong that the situation will become aggravated if things are left as they are now. At a meeting held by an association of American automobile dealers in New Orleans recently, the leaders of the big three car makers called for control on the import of foreign-made vehicles. This was a major policy switch for the big three which had traditionally supported free trade. The Americans, of course, are well aware that the problem will not be solved merely by controlling imports from Japan. As long as their poor business performance can be attributed to their reluctance to produce small cars, the responsibility is clearly theirs.

However, if Japan-U.S. relations are to be judged comprehensively, we should become aware of the fact that Japan's international responsibility has increased. Be it the opening of the domestic markets or the expansion of direct investments overseas, Japan has to respond as much as possible to severe demands made to it. If Toyota and Nissan want to continue making and selling their cars amid the trend toward internationalization, the question of producing cars in the U.S. is an obstacle which must be hurdled. If so, they must work out a basic strategy for the 1980s that includes making major investments in America.

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There are many Japanese enterprises that have succeeded after advancing into the U.S. It is the prerogative of management to decide for or against making investments in the U.S. However, we believe that the two companies will be fully competitive, depending on how they make their advance into America.

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USHIBA: JAPAN SHOULD ASSERT ITS VIEWS IN AUTO ISSUE WITH U.S.

OW171728 Tokyo THE JAPAN TIMES in English 16 Feb 80 p 5 OW

[Text] Japan should not yield to U.S. pressure on Japanese car exports to the United States but assert its own views, says Nobuhiko Ushiba, former Japanese ambassador to the U.S.

Ushiba, now adviser to the foreign ministry, said, "it is important to have concepts of our own and not to succumb to the U.S. pressure. There are sympathizers in the U.S. toward Japan. What we should claim must be clearly stated."

He made the remark at a seminar for industrialists in central Japan held in Inuyama City, Aichi Prefecture, Thursday.

Ushiba is cochairman of a bilateral group known as the "Wise Men's Group" to advise both the Japanese and U.S. Government on economic matters.

"It is regrettable that the U.S. sees Japan as a country which will agree to any U.S. pressure," he said.

"It is important for Japan to assert its basic position bravely to further mutual understanding with the U.S.," he went on.

"You should not take the criticism of only one industry as representing the whole spectrum of American opinion," he said.

Stressing that Japan cooperates with the U.S. in the exports of machine tools, bearings and castings, Ushiba said, "it is funny that the U.S. should condemn Japan for an increase in imports from Japan."

He also emphasized the need for furthering understanding among the American people directly on Japan's position as well as the similar necessity in U.S. Government and congress.

"We must win more supporters among the U.S. electorate," he added.

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MITI OFFERS CAR MAKERS LOANS TO BUILD PLANTS IN U.S.

OW171726 Tokyo THE JAPAN TIMES in English 16 Feb 80 p 1 OW

[Text] The Ministry of International Trade and Industry is considering extending export-import Bank of Japan loans to finance investments by the two largest Japanese auto makers, Toyota and Nissan, to produce some of their cars in the U.S., government sources said Friday night.

The low-interest loan proposal, already advanced to the two car manufacturers, is aimed at helping reduce huge investment risks involved and expedite Toyota and Nissan's decision in favor of their car production in the U.S., the sources explained.

MITI's unusual proposal apparently came about because the ministry leaders had come to believe that the automobile trade problem, if left unattended, would aggravate and jeopardize all trade relations between Japan and the U.S.

The ministry hopes to settle the auto trade problem, stemming from the U.S.'s demand, as represented by United Auto Workers President Douglas Fraser, that Japanese car makers voluntarily curb exports to the U.S. and build manufacturing plants there. A solution is sought before U.S. trade representative Reubin Askew's mid-May visit to Japan, the sources said.

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AUTOMAKERS MAY END UK-BOUND AUTO EXPORTS

OW021505 Tokyo JIJI in English 1423 GMT Feb 80 OW

[Text] London, 1 Feb (JIJI Press)--Japanese automakers have indicated that they would terminate their voluntary restraint on exports to Britain next year.

As a result of this week's regular consultation in Acapulco, Mexico, between the Japan Automobile Manufacturers' Association (JAMA) and the Society of Motor Manufacturers and Traders (SMMT), the Japanese will likely maintain the export curbs for another year.

A brief joint statement announced here Friday said JAMA expressed the hope that Japanese automakers will continue to be prudent in selling cars to this country.

However, JAMA also said it is unhappy that Japanese makers have had to hold down their share in the British market to not more than 11 percent during the past four years.

This has sparked speculation here that the Japanese association might wish to terminate the voluntary curbs as of the end of this year.

The combined share of imported cars in the British market doubled from 30 percent in 1975 to about 60 percent last year.

But Japanese vehicles' share remained at 10 to 11 percent during the same period.

This has led British sales agents for Japanese car makers to complain aloud that Japan's export curbs, originally aimed at helping the British motor industry, has only served to benefit other foreign makers.

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JAPAN DENDEN KOSHA TO MAKE PUBLIC SUPER-LSI PATENT SHORTLY

OW080415 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Feb 80 Morning Edition  
p 1 OW

[Excerpts] Nippon Telegraph-Telephone Public Corporation--Denden Kosha-- has decided to make fully public the patent for the Super-LSI (large-scale integrated circuit) in the near future. The action will enable businesses both at home and abroad to pay for utilization of the technology being developed by Denden Kosha jointly with three communications machinery makers-- Nippon Electric, Hitachi and Fujitsu.

The Super-LSI Technology Research Union, comprising five major computer makers in Japan, has been accelerating development under the lead of the Denden Kosha group and the Ministry of International Trade and Industry. The government already decided to make full public disclosure of the patent currently held by the union. Thus, the decision by the Denden Kosha group completes the move to open the door to exporting to the United States and European countries the Super-LSI technology of this country, the world's highest level. The export is expected to help resolve Japan-U.S. trade frictions over such issues as involving semiconductors and the opening of Denden Kosha contracts to foreign bidding.

Denden Kosha is scheduled to embark on its third-phase research program in fiscal 1981 to a new Super-LSI with an even higher degree of integration. The research partners in this project will not be limited to the three makers as in the past, and therefore it is expected that other makers such as Oki Electric Industry, Toshiba and Mitsubishi Electric Corp are expected to compete for participation in the program.

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'DRAMATIC' GROWTH IN AIRCRAFT INDUSTRY PREDICTED

OW211419 Tokyo JIJI in English 1234 GMT 21 Feb 80 OW

[Text] Tokyo, 21 Feb (JIJI PRESS)--The Nomura Research Institute, a leading private "think tank," predicts a dramatic development of the nation's aircraft industry from 1985 onward.

In a recently-compiled report, it says the overall output of Japan's aircraft industry, including repairs, stood at 279.3 billion yen (about 1.12 billion dollars) last year.

This is only one-eighteenth of the United States' aircraft production and 2 to 3 percent of the total.

Meanwhile, the average annual growth of the Japanese aircraft industry for the past five years stood at a mere 9 percent.

However, Japanese aircraft makers are now getting into top gear thanks to the start of three big projects--the license production of the F-15 jet fighter "Eagle" and the P-3C subspotter "Orion," and the development of Japan's next generation civil aircraft, dubbed "YX."

Moreover, orders have also come from the U.S. because of not only brisk private demand there, but also increased U.S. defense spending against the background of the Afghan crisis.

As regards the outlook for the years ahead, Nomura forecasts air travelers will increase at an annual rate of 8 percent.

Furthermore, it says, airplanes will become outdated at a quicker pace than ever, since more economical models will be in demand.

Therefore, demand for aircraft is expected to hit a peak from 1985 onward.

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JAPAN, PRC END AIR TALKS, AGREE TO INCREASE FLIGHTS

OW021507 Tokyo JIJI in English 1427 GMT 2 Feb 80 OW

[Text] Tokyo, 2 Feb (JIJI Press)--Japan and China have agreed to increase the number of weekly flights to eight for Japan Air Lines (JAL) and 10 for the Civil Aviation Administration of China (CAAC) from the present seven each as from April.

The accord came at their four-day intergovernmental aviation talks, which ended at the transport ministry here Saturday.

JAL, the nation's flag carrier, and CAAC also agreed to continue talks on the start of cargo flights between the two countries.

The number of travelers between the two countries is estimated at 180,000 both ways in the current fiscal year ending next March. A further growth of more than 50 percent is expected in fiscal 1980 and after.

To expand the passenger-carrying capacity, it was agreed that JAL will introduce DC-10 jetlines of McDonnell Douglas Corp, and CAAC Boeing 747-SP jumbos of Boeing Co.

This means a substantial increase from the present 2,000 seats to 3,500 both ways for each of JAL and CAAC.

Regarding the problem of mutual rights to fly beyond Tokyo and Beijing, China told Japan that CAAC wants its jets to stop in Japan en route to the United States and to increase their landing points in that country once a regular air service is opened between China and the U.S.

Japan said, however, that JAL has no immediate plan to operate flights to Europe via China. Therefore, it was decided to discuss the matter again in Beijing in mid-April.

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IRAN APPROACHES JAPANESE FIRMS ON PLAN TO IMPORT TRUCKS

OW040610 Tokyo THE JAPAN TIMES in English 3 Feb 80 p 4 OW

[Text] Iran is planning to import 30,000 trucks to make up for a production slowdown and drastic declines in imports, Japanese trading company sources said Saturday.

They said Iranian importers have asked some trading houses about the possibility of importing Japanese-made trucks.

If shipments of Japanese-made vehicles are realized, it would be the first time in more than a year that trucks would be exported from Japan to Iran.

Since the revolutionary government came to power early last year, Iran has stopped purchasing foreign-made vehicles.

The Iranian Government adopted the policy of a ban on imports of foreign cars to bring up and protect its own industry and to expand employment.

Japan was able to ship only 4,991 cars under contracts already signed before the government's new policy went into force and also under the so-called "knock down" (local assembly) system.

Iran was Japan's major customer for cars in the Middle East along with Saudi Arabia. In 1978, Japan shipped about 66,000 passenger cars and trucks.

The sources said Iran presently is in need of trucks because production has slowed down and a shortage of vehicles became apparent after the revolutionary government seized power.

They said Iran was looking for 1,600-2,000 CC class trucks, the type of vehicles Japan has been fully capable of supplying.

The sources said Iran reportedly planned to import 30,000 units--15,000 for official use and the remaining 15,000 for the private sector.

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It was not certain, however, whether Japan would win orders for all 30,000 trucks.

The Ministry of International Trade and Industry maintains a strict policy of not approving shipments to Iran unless payments are completely guaranteed.

Japan must also take into consideration whether truck exports would run into conflict with America's economic sanctions against Iran.

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JAPAN, CHINA PLAN BUILDING NEI MONGGOL-TIANJIN CANAL

OW031711 Tokyo SANKEI SHIMBUN in Japanese 29 Feb 80 Morning Edition p 1 OW

[Article by Reporter Shigeru Saito]

[Excerpt] The world's longest canal linking China's hinterland to Bohai Bay is to be built as a Sino-Japanese economic cooperation project. A source concerned with Sino-Japanese relations disclosed on 28 February that the Japanese and Chinese governments had tentatively adopted a plan to build a 600-kilometer canal to transport coal from Nei Monggol--China's major coal-producing region which ranks third in the world in coal reserves--to Tianjin, the port from which coal will be shipped overseas. The two countries will conduct a field survey and study the possibility of using existing rivers before drawing up concrete financing and construction plans on this gigantic project. It is certain, however, that total investment will far exceed the \$8.3 billion (about 2 trillion yen) estimated for the 98-kilometer second Panama Canal project and is expected to reach a whopping 10 trillion yen. Needless to say, this will be the largest construction project ever undertaken by China since the construction of the Great Wall. Even for the world, it will mark an historic event. As for Japan, it will pave the way for long-term stable coal supplies from China.

The Nei Monggol-Tianjin Canal plan has been informally presented to the Japanese Government. Nippon Steel Corporation and other Japanese firms have already begun to study ways of realizing the plan. The government will make a final decision on the details of the project--including its funding--based on the results of the studies conducted by the firms concerned, and approve the plan as a large-scale project as soon as possible.

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NAGANO BRIEFS OHIRA ON PANAMA CANAL PROJECT

OW101154 Tokyo THE JAPAN TIMES in English 9 Feb 80 p 5 OW

[Text] Shigeo Nagano, president of the Japan Chamber of Commerce and Industry, and other business leaders who visited the U.S. and Panama 23 January to 4 February met with Prime Minister Masayoshi Ohira Friday and briefed him about the details of Panama's proposal calling for Japanese participation in the second Panama Canal project.

Nagano later told reporters that Prime Minister Ohira was rather cautious about the proposal but promised him that he would study it carefully.

The business leader also said that President Aristides Royo of Panama plans to visit Japan around 24 March.

Nagano then said that he believes it would be appropriate to seek a World Bank loan for the second Panama Canal project, which is expected to cost at least \$8.3 billion.

Nagano headed a mission of Japanese businessmen to Panama and the U.S. to exchange views on the project with leaders of the two countries.

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PRC ASKS JAPAN TO COOPERATE IN MINING DEVELOPMENT

OW081509 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Feb 80 Morning Edition  
p 1 OW

[Excerpts] According to a government source, the Chinese Government recently made a formal request to Japan for cooperation in developing coal and nonferrous metal (copper) mines, showing a list of "priority projects" it has in mind. The "second" economic cooperation project follows the yen credit projects for railroad construction and port and harbor maintenance as agreed at the Japan-China summit talks late last year. It calls for:

- (1) The development of eight coalmines and two nonferrous metal mines with Japanese "Export-Import Bank Loans";
- (2) The expenditure of about 1 billion yen, or almost half of the total of the export-import bank loans, for those projects; and
- (3) The joint development of four coalmines, including one in Gujiao Prefecture in Shanxi Province, in the form of a joint venture or by compensatory trade in which borrowings are paid back in kind. Acting on the Chinese request, the government plans to select the mines to be developed by sending survey teams to China in mid-March and decide on detailed aspects of cooperation when Premier Hua Guofeng visits Japan in May.

According to the Chinese request, China wants to develop 12 coalmines, including the ones already under development, and two nonferrous metal mines in cooperation with Japan, and to export, mainly to Japan, the coking coal and metabittuminous coal (a kind of coking coal) for steel making, steaming coal and brown coal for fuel as well as copper to be mined there.

As for eight coalmines--including the ones in Gujiao Prefecture in Shanxi Province and Yanzhou Prefecture in Shandong Province--and two nonferrous metal mines, which China wants to develop expeditiously, China indicated its intention to use the export-import bank loans (\$2 billion in loans which the Export-Import Bank agreed to provide to the Bank of China), showing that China is giving greater priority to these than to other projects.

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The eight coalmines to be developed are estimated to have deposits totaling 5,270 million tons and expected to turn out 23 million tons of coal a year by the middle of the 1980's when mining work will begin in real earnest. The two nonferrous metal mines are said to have copper ore deposits of 70 million tons and are expected to turn out 32,000 tons of refined metal annually. Expenditures for the 10 projects are estimated to total about \$1 billion as China aims to spend more than \$100 million for each project in "foreign exchange expenditures" (funds used for the purchase of material and equipment which cannot be procured domestically in China).

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ECONOMIC

BRIEFS

EXPORT GOODS DEVELOPMENT--Tokyo, 31 Jan (JIJI Press)--President Isao Nakauchi, of Daiei, Inc., a major supermarket chain, agreed at his talks with Chinese Foreign Trade Minister Li Qiang Wednesday that his company will cooperate in developing Chinese merchandise for export through active extension of information to further expand its business with that country. After the meeting at Daiei's Sone Branch in Western Japan, Nakauchi also told reporters that he asked the Chinese minister to allow his company to set up a representative office in Shanghai in addition to the existing offices in Beijing and Tianjin. To discuss details on the planned office, he will shortly visit that country, he said. Daiei's deals with China are expected to reach six billion yen (about 24 million dollars) this year. [OW311321 Tokyo JIJI in English 1233 GMT 31 Jan 80 OW]

STEELMAKER STARTS BEIJING OFFICE--Tokyo, 31 Jan (JIJI Press)--Nippon Kokan K.K., a major Japanese steelmaker and shipbuilder, will establish a representative office in Beijing Friday to promote its ties with China. The firm has exported a number of ships to China and received Chinese orders for cost estimates on improvement of the Shijingshan steel mill and a hot steel rolling plant of the Anshan steelworks. It has already set up a China team in its heavy machinery division to take care of orders from that country. Only one representative--Yasusuke Kawashima--will be stationed at the office for the time being. [OW311323 Tokyo JIJI in English 1231 GMT 31 Jan 80 OW]

DOUBLE TAXATION ACCORD WITH POLAND--Tokyo, 21 Feb (JIJI PRESS)--Japan and Poland Wednesday signed a convention for the avoidance of double taxation with respect to taxes on income. The signing took place in Tokyo between Foreign Minister Saburo Okita and Polish Ambassador to Japan Stefan Perkowicz. The pact concerns, among other things, enterprise income and income derived from international transport and investment. It has resulted from two rounds of negotiations conducted last year--the first in Warsaw in June and the second in Tokyo in September. [Text] [OW211503 Tokyo JIJI in English 1359 GMT 21 Feb 80 OW]

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SCIENCE AND TECHNOLOGY

SCIENCE, TECHNOLOGY AGENCY STARTS NEW COMPREHENSIVE RESEARCH SYSTEM

Tokyo NIHON KOGYO SHIMBUN in Japanese 11 Sep 79 p 5

[Text] Starting in JFY 1980 the Science and Technology Agency will abolish the Special Research Promotion Coordination Fund System--the so-called Special Coordination Fund--in effect since JFY 1960. In its place, it will begin a new "Specific Important Comprehensive Research Promotion System."

The Special Coordination Fund was instituted with the objective of meeting the necessary costs for implementation of research urgently needed during the year. Thereafter, 3-year comprehensive research projects were added to this category, and in recent years, these comprehensive researches have been receiving the major emphasis. Yet the budget scale per project is not large--about 100 million yen for a 3-year period.

In the meantime, however, the need for leading basic technological research for ensuring stable growth to carry us into the 21st century is becoming more and more evident. There is also an increased need for countermeasures against various calamities--including natural disasters--as well as life sciences technological advancements directly related to the well-being of citizens--such as improved health care and so on. These research development topics often overlap, and it has become impossible to consolidate the vast expanse of scientific technologies; and because such research developments take longer and require greater monetary input, they have become difficult to execute within the framework of the "Special Coordination Fund System."

The Specific Important Comprehensive Research Promotion System is designed to rectify this situation. Research developments centering around lending, basic scientific technology and life sciences technology will be conducted with the participation of national research organs, private firms, and private research organizations without being restricted by jurisdictional barriers among governmental agencies. Its establishment reflects the desire to pursue these researches under an "supra-agency" format.

It intends to budget several hundred million to several billion yen per topic, and the research development time frame is expected to be 5-7 years.

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During 1980, its first year, the plan is to seek a 2.05 billion yen budget and the following seven topics will be taken up:

(Comprehensive Research on a Large-scale Super High Pressure Generator System) The main goals are development of a 20 million atmospheres pressure, two stage light gas dynamic super pressure generators equipped with a pulsed magnetic field object accelerator powered by perhaps the world's first explosion electric generator and the world's largest anvil cylinder, large capacity, static, super high pressure generator having a 1 liter pressure capacity and capable of generating 100,000 atmospheres pressure. It is believed that once 20 million atmospheres pressure is achieved, certification of the so-called "dream metal"--metallic hydrogen--would be possible. The large capacity static super-high pressure facility's aim is to synthesize a large (3 cm square) sintered diamond without additives. If this is accomplished, diamonds may eventually be used as structural materials. The project's term runs until JFY 1985, and the development budget is about 1.6 billion yen.

(Comprehensive Research On High-efficiency Laser Sensing System) The goal is to develop a pocket size laser measuring device by miniaturization and efficiency improvement of infra-red and visible light laser measuring devices and realization of continuous oscillation in the ultra-violet range. The term of the project is until 1985 and the development allowance is about 2 billion yen.

(Comprehensive Research Concerning Wind Energy Use System) The goal is to develop a 20-kilowatt class high-efficiency windmill and to combine it with heat storage, heat generation devices which employ hydrogen storage metal and to establish a heating system for agricultural facilities, snow melting system and other community oriented heat supply systems. The project term runs to 1984, and the development fund allocation is about 800 million yen.

(Comprehensive Research Concerning Earthquake Tectonics in Plate Boundary Area) The project term is until 1985 and the development budget is about 4 billion yen.

(Comprehensive Research Concerning Major Earthquake Calamities Prevention System) The project term is until 1986 at the development cost of about 3 billion yen.

(Comprehensive Research On Safety of Gener Recombination Technology) The project term is until 1985 and the development allocation will be about 1.3 billion yen.

(Comprehensive Research Concerning Scientific Verification of Symptoms, Meridians and Points [in Acupuncture] and Securing Biologicals Resources) The project term is until 1984 and the projected development cost is about 1 billion yen.

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SCIENCE AND TECHNOLOGY

AIIST WILL SHIFT EMPHASIS TO BASIC RESEARCH

Tokyo NIHON KOGYO SHIMBUN in Japanese 11 Sep 79 p 5

[Text] The Agency for Industrial Science and Technology has been giving aid to industries to encourage core technology research. The four technology categories being subsidized aid are: (1) core, (2) important, (3) housing system, and (4) pioneering technologies. Starting in JFY 1980, however, it has decided to shift its aid emphasis to basic research and development. For this reason, it has established pioneering technology--a basic research field--as a new pillar of its aid program; and starting in 1980, it will add "New Devices Technological Research" to this project.

The subsidy budget for 1979 was as follows: core, 1,151.2 million yen; important, 432 million yen; housing system 87.54 million yen; and pioneering, 271,459,000 yen; a total of 1,942,199,000 yen.

The basic research field of pioneering innovations had approximately 300 million yen to be divided among five categories: (1) optoelectronics, (2) higher order measurement, (3) utilization of carbon composites, (4) utilization of enzymes and microorganisms, and (4) new materials.

In contrast, in the 1980 budget request, the pioneering innovations category request alone was increased to 394,559,000 yen, whereas the other three classifications were held down to the request levels of the previous year.

This reflects the Agency's intention to focus its attention on basic research and to maintain the status quo in other categories. As a result, the pioneering innovations category now includes the development topic of new devices based on the Josephson effect, in addition to the existing five fields. The aim is to invigorate basic research with a view to the development and practical utilization of new semiconductors based on the Josephson device.

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SCIENCE AND TECHNOLOGY

TOKYO UNIVERSITY LAUNCHES EXPERIMENTAL SATELLITE

OW181315 Tokyo JIJI in English 1239 GMT 18 Feb 80 OW

[Text] Uchinoura, Kagoshima Pref., 18 Feb (JIJI Press)--Tokyo University's Institute of Space and Aeronautical Science Sunday successfully launched an engineering testing satellite with the newly-developed M-3S rocket from its space center in this southwestern Japanese Prefecture.

The three-stage rocket lifted off the launching pad at 9:30 am (0030 am GMT), carrying the MS/T4 satellite measuring 93 centimeters in diameter and 81.5 centimeters in height.

Seven minutes and 42 seconds after the firing, the satellite was injected into a circular orbit at an altitude of about 519 kilometers.

Later, it was confirmed the MS/T4 is circling the earth in an elliptical orbit with a perigee of 517 kilometers and an apogee of 672 kilometers in one hour and 36 minutes almost as originally planned.

Meanwhile, the university named the experimental satellite "Tansei" (light-blue) no. 4.

The launching was designed to test the performance of the M3-S rocket as well as to conduct technological and observation experiments in preparation for the orbiting of scientific satellites set for next year.

The launch vehicle was built by attaching an injection thrust vector control device to the first stage of M-3H rocket--the type used for the past satellite launchings.

The university plans to successfully send up scientific satellites no. 7 (Astro-A), no. 8 (Astro-B) and no. 9 (Exos-C) mainly for full-fledged solar observation by means of X-ray astronomy.

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SCIENCE AND TECHNOLOGY

R&D PROJECT FOR ENERGY-FRUGAL ALUMINUM SMELTING STARTED

Tokyo NIHON KOGYO SHIMBUN in Japanese 29 Jan 80 p 21

[Text] The Chemical Technology Laboratory (Director Hideo Narazaki) of the Agency of Industrial Science and Technology will begin development on "new aluminum production technology by the molten furnace method" in JFY 1980. This is special research which the Agency of Industrial Science and Technology is initiating because the present electrolytic method for the production of aluminum consumes vast amounts of electricity, and the agency proposes this approach as one phase of conserving energy under its Moonlight Program. Since this approach uses a blast furnace just as in steelmaking, the energy source can be shifted from electricity to coal, and it is said that a 70 percent conservation of energy can be realized compared to the electrolytic method. The Chemical Technology Laboratory will continue basic research to JFY 1983, but the Moonlight Program headquarters hopes that it will be possible to invite participation on the part of makers sometimes during JFY 1982 to start a true national project followed by the development of a demonstration plant in the next 1-2 years and then to its practical application.

Aluminum is a basic material next to steel whose demand is large, but the conversion of its mineral (bauxite) to pure aluminum metal or aluminum silicate requires an enormous amount of energy.

In the midst of energy conservation demands on the national level, this smelting of aluminum is even regarded as a "heathen child." This is clear evidence of the need to develop a new method for the smelting of aluminum.

The Chemical Technology Laboratory zeroes in on this situation and decided to go into development of a melt furnace method. This method involves the stoking of a blast furnace with bauxite, clay, and coke after which oxygen is introduced from below to bring the temperature to an average 2000°C (maximum temperature 2250°C) to bring about the conversion to produce crude alloy of aluminum, silica, and iron. This will be followed by a distillation method and electrolytic method to separate and purify the aluminum.

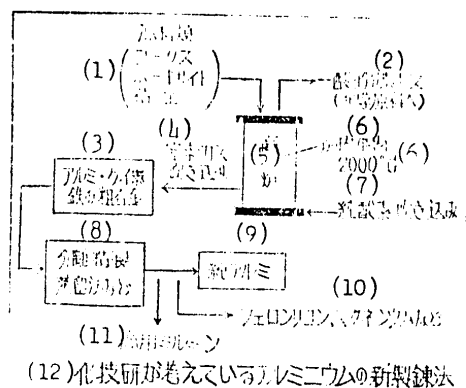
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When compared to the production of iron, the temperature of the blast furnace will be 200-300°C higher, and the attainment of this atmosphere leaves a number of problems to be resolved such as development of blast furnaces with the necessary heat resistant materials and the development of a method for removing readily oxidizable aluminum. Should this development be successful, the main energy source can be shifted to coal and the use of substitute energy will be promoted. In addition, the overall energy consumption will be reduced 30 percent from what it has been (in oil equivalent, this is a saving of 1.4 kiloliters oil per ton) indicating the magnitude of energy conservation that is possible.

Carbon monoxide will be a product of this smelting process which is a basic material in coal chemistry. In addition, the refining step of the aluminum-silicon-iron alloy that is removed from the blast furnace can also include the production of milmin (aluminum-silicon alloy), ferrosilicon, and -magnesium.

As a part of the Moonlight Program (budget of 32 million yen) the Chemical Technology Laboratory will start in JFY 1980 a study on the elucidation of the reduction mechanism of an alumina-silica-iron oxide system with carbon and design a melt furnace for this purpose as well as undertake some partial test construction. At the same time, it will 1) perform simulation analysis to understand the behavior within the melt furnace, and 2) conduct slag crude alloy and molten alloy state theory research to establish separation and refining steps. It is expected that research and development on furnace materials as well as accumulation of reaction dynamic data will be initiated in JFY 1981, and a national project with participation by makers will become a reality.



- KEY: 1. raw materials (coke, bauxite, clay)  
 2. carbon monoxide gas (chemical raw material)  
 3. crude alloy of aluminum, silicon, iron  
 4. nitrogen gas blown in  
 5. blast furnace

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6. mean temperature in furnace 2000°c
7. pure oxygen blown in
8. separation, refining, distillation, etc
9. pure aluminum
10. ferrosilicon, magnesium, etc
11. commercial milmin
12. new aluminum smelting method proposed by the Chemical Technology Laboratory

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